

RS-EER-91-089
JUNE 1991

reign
roadcast
ormation
vice



N N I V E R S A R Y
1 9 4 1 - 1 9 9 1

JPRS Report

East Europe

East Europe

JPRS-EER-91-089

CONTENTS

21 June 1991

BULGARIA

First Congress of Fatherland Labor Party [BULGARIYA 13 Apr]	1
Former Interior Ministry Official Interviewed [TRUD 16, 17 Apr]	2
Status of Bulgarian Citizens Abroad Discussed [DEMOKRATSIYA 17 Apr]	6
Bulgarian National Bank Chairman Interviewed [DUMA 17 Apr]	7

CZECHOSLOVAKIA

Social Democratic Group Separates as New Party [Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG 3 May]	10
History of Ruthenians' Struggle Described [LISTY No 2, 1991]	11

HUNGARY

SZDSZ Chief Assesses Government's Viability	15
Six-Party Talks Criticized	15
SZDSZ, FIDESZ Debate [MAGYAR HIRLAP 8 Apr]	17
Gaspar Tamas on SZDSZ Foreign Relations [MAGYAR NARANCs 4 Apr]	19
Workers' Interests Said To Lack Representation [HETI VILAGGAZDASAG 13 Apr]	21
Development of Middle Class Seen Endangered [HETI VILAGGAZDASAG 6 Apr]	23

POLAND

Liberal-Democratic Congress: Poland in Europe [KONFRONTACJE May]	26
Decentralization of Privatization Apparatus Needed [GAZETA BANKOWA 5-11 May]	27
Council for Ownership Transformations Formed [RZECZPOSPOLITA 27-28 Apr]	29
Limitation on Expenditures by Budget Department [RZECZPOSPOLITA 27-28 Apr]	29
Banking Association Formed; Objectives Outlined [RZECZPOSPOLITA 27-28 Apr]	31
Electronic Data Interchange Development [RYNKI ZAGRANICZNE 25 Apr]	31
Privatization of National Enterprises Viewed [RZECZPOSPOLITA 26 Apr]	34
Report Warns of Asbestos Threat in Workplace [GAZETA WYBORCZA 11-12 May]	35
Procedures for State Farm Privatization [GAZETA BANKOWA 5-11 May]	35

ROMANIA

Ruling Party Seen 'Purging' Its Ranks [ROMANIA LIBERA 12 Apr]	37
Social Democrats Explore Coalition Options [DREPTATEA 14 May]	38
Former Securitate Major Rejects Terrorism Charges [TIMPUL 15 Feb]	38
Brucan Replies to Securitate Cadre's Charges [ROMANIA MARE 12 Apr]	41
Bishop Tokes Seen Encouraging Lawlessness [ADEVARUL 14 May]	43
Army Participation in Gulf War Criticized [LIBERTATEA 13 May]	44

YUGOSLAVIA

Laws in Preparation for Slovene Independence [DELO 9 May]	46
Possibility of Islamic Bosnia Creation Examined [BORBA 27 May]	48
Goals of 'White Eagles' Militant Brigades [BORBA 6 Jun]	49
Reasons for Unkovic's Resignation Discussed [BORBA 6 Jun]	50
Party of Democratic Renewal Head Interviewed [NEODIVISNI DNEVNIK 22 Apr]	51

Speculation on Who Was Behind Maribor Actions [POLITIKA 29 May] 53

Alleged New Concept of Bosnian Defense [OSLOBODJENJE 9 Jun] 53

Fifth Air Corps Exercises Discussed [BORBA 5 Jun] 55

YPA for United Country Despite Provocations [NARODNA ARMIJA 6 Jun] 55

Increased Police Staff, Arms in Croatia Deplored [NIN 7 Jun] 57

First Congress of Fatherland Labor Party

91BA0697A Sofia BULGARIYA in Bulgarian 13 Apr 91
pp 1, 5

[Report by Elizabet Dafinova on the first congress of the Fatherland Labor Party: "A Party of Pragmatic Nationalism"]

[Text] The first regular congress of the Fatherland Labor Party [OPT] was held in the hall of the Fatherland Union in Sofia on 6 April 1991. Attending were delegates and representatives from the entire country. Rumen Popov, the party's chairman, delivered a brief introductory speech on the one-year existence of the organization. He reminded those present that the first rally, which took place on 3 April 1990, had been in the nature of a constituent assembly.

Popov systematically discussed the nature, size, internal-party structure, and organization of the party, and its preparations for the forthcoming elections. The OPT is a "party of rebirth, development, and defense of the national virtues, ideals, and values; it is the party of free and economically independent citizens." It rejects national nihilism as a way of thinking and politics. It is not ashamed of being described as "anti-Turkish and anti-Islamic" and wishes to be one of the organizations that, along with all Europe, will struggle against Islam. Political conservatism and economic liberalism must become its characteristic features. That is why the chairman called for the creation of a trade union and a union of patriotic businessmen. The OPT will dedicate efforts to strengthen the Bulgarian family and child care.

As to its size, it does not aspire to become a mass party. At this stage, its membership should not exceed 10,000-20,000. Priority should be given to parallel movements of sympathizers and supporters.

The delegates unanimously approved the stance adopted at the national party conference of rejecting dual membership. Such membership could be kept only in the clubs and the councils of the leaderships, the Business Council, the Scientific-Expert Council, and others. It also introduced the rule of expelling members from the party as a form of punishment.

To make the party's leadership more democratic, Popov suggested that a council of representatives be set up under the Presidency, with representatives from different parts of the country, as an authority of the National Coordination Council.

The OPT is represented in parliament and, at the same time, heads the list of the parties and movements outside parliament. It is the party of the next century. That is why it should not only be present but should also actively participate in the forthcoming elections—that is, it must struggle for power. "We have the potential, cadres and platform, and reliable friends," Popov said, after which he engaged in self-criticism for his failure to organize all of this during the last electoral campaign. The most

important thing at this congress is for the OPT to develop its own features, adopt bylaws and a program, and outline its strategy and tactics of behavior in the course of the electoral campaign and during the elections so as not to lose its opportunity once again. The OPT has nothing against engaging in legislative activities, believing that it can submit its concept and program on the national problem.

On behalf of the working commissions, Gincho Pavlov, Nikolay Gulubov, and Kiril Serafimov acquainted those present with the draft bylaws, draft program, and electoral platform of the OPT. Participants in the discussions and debates included representatives from Varna, Shumen, Razgrad, Khaskovo, Kurdzhali, and others, who submitted a number of suggestions and supplements to the documents.

Vulcho Drumev from Varna called for aggressiveness in the coming elections. He expressed the view that the local elections must become a dress rehearsal for the parliamentary elections, for which reason it would be suitable to hold them first. The Bulgaria Association should be renamed "Bulgaria Union" and include the BNDP [Bulgarian National Democratic Party], the Democratic Forum, the Constitutional Forum, and other similar parties and organizations. No concessions on the national problem should be made.

Rumen Kasabov explained that the OPT needs an image that will distinguish it from the other national parties and the OKZNI [All-People's Committee for the Defense of National Interests]. It must be made clear who the party represents and whose interests it defends, so that it may attract some of the supporters of the BSP [Bulgarian Socialist Party] and the SDS [Union of Democratic Forces]. It must be strongly emphasized that the OPT is the "party of pragmatic nationalism."

Bozhidar Dimitrov also pleaded for clarifying the identity of the party on the basis of its ideology, Bulgarian national interests, and broad social stratum (from professors to peasants), whose rights the OPT will defend. "Our strength lies in the new 'class' of middle owners," Dimitrov said.

Tsanka Rashkova from Kurdzhali expressed her fears concerning the suitability of the OPT to have an independent political life. She hinted that the symbiosis existing between the OPT and the OKZNI is not to the benefit of the former.

Dimcho Uzunov believes that the OPT should become a mass party and that its membership should be increased. He recommended that the party take over the protection of not only the working people but also the unemployed.

Nikolay Gulubov opposed the "theft" of slogans. We must not borrow but must suggest our own ideas. The senior scientific associate then explained to the public the nuances in the concepts of "pragmatism" and "realism," and the fine distinction between "nationalism" and "patriotism." Gulubov also discussed the social

policy of the OPT. He recommended that Bulgarian families be encouraged in all possible ways.

Evgeni Drumev from Razgrad suggested that an administrative council of 11 members be elected, headed by a chairman, to give the party an efficient leadership.

Boncho Kostov opposed giving land to people who have an alien ethnic self-awareness, and "predicted" future disputes with Romania, for which reason the "Bessarabian Bulgarians should be our rear line support."

Stoycho Marinov from Prosenik Village did not exclude the possibility, should the OPT pursue a right democratic policy, of some Turks voting for it.

Rositsa Spasova raised the question of dual citizenship in the border areas and expressed her concern that, should the OPT win the local elections, its cadres may suffer the loss of authority in such a difficult political situation.

Boris Borev expressed his indignation at the use of the concept of "Turkish minority" because only Muslim Bulgarians can be found in our country. He suggested that the VNS [Grand National Assembly] adopt a document on the national problem and that the people's representatives vote individually "so that one may know who are the traitors." The OPT should carry the cross and save Bulgaria.

According to Dimitur Kunev from Varna, the most important thing now is the elections. For this reason, cooperation with everyone is needed, including the DPS [Movement for Rights and Freedoms], which could be useful in some ways.

Following the conclusion of the debates on the draft documents, Dimitur Arnaudov and Mincho Minchev expressed (not without the help of those present) the wish to confess in order to mutually clarify the nature of the work that was done or unfinished, and to have an exchange of embarrassing questions and answers—in short, a pre-Easter purification, which would end with a traditional forgiveness—after which deputy Arnaudov assumed his place in the presidium.

Late in the evening, the delegates voted on the programmatic documents and the election of party leaders. The bylaws and the program, along with the supplements, were unanimously adopted. It was resolved not to set up a council of representatives because its functions would be duplicated by those of the National Coordination Council, but, rather, to appoint an administrative council answerable to it. The motion to have three cochairmen was rejected. By majority vote, the congress reelected Rumen Popov as OPT chairman. Academician Kiril Serafimov was elected first deputy chairman, and Gincho Pavlov and Mincho Minchev were elected deputy chairmen. Minchev was appointed party spokesman. Also appointed was the 11-member administrative council, and it was further decided that it should consist temporarily of 15 members, until the

positions and the leading functions of some of its members within the OKZNI have been clarified.

Finally, on the motion of Nikolay Panayotov, the congress adopted a declaration against the genocide of the Kurdish people, and the delegates dispersed in order to celebrate the resurrection of Christ the Savior.

Its first congress proved the rightness and the viability of the OPT's patriotic activities in reviving the national virtues and ideals and its tireless efforts to establish real democracy and develop a law-governed civil society in Bulgaria, which would guarantee the rights and freedoms of all citizens and, above all, the protection of national interests.

Former Interior Ministry Official Interviewed

91BA0635A Sofia TRUD in Bulgarian 16, 17 Apr 91

[Interview with Colonel General Grigor Shopov, retired, a former official with the Ministry of Interior, by Dimitur Statkov; place and date not given: "A General Who Does Not Want To Give Excuses"—first two paragraphs are TRUD introduction]

[16 Apr pp 1, 3]

[Text] The revival process, once it got started locally, pleased the comrades in the center. To "neutralize" the enemy is an age-old practice.

Colonel General Grigor Shopov, retired, has never been accessible to journalists. Not even to the colleagues from the BBC, according to him. Because he spent 37 years within the MVR [Ministry of Interior], including two as director of the militia, a long time as deputy minister, and 15 years as permanent first deputy minister, his name has evoked something more than ordinary curiosity. The increasingly frequent sensational announcements in the mass communications media, one of which mentioned Mr. Shopov specifically, is the reason we requested this interview.

[Statkov] Were you retired by ukase of the minister?

[Shopov] No, by decision of the Politburo, several months after 10 November [1989]. I had submitted my application for retirement for health reasons before the membership renewal of the party started.

[Statkov] Did you renew your membership in the BSP [Bulgarian Socialist Party]?

[Shopov] Yes, I renewed it.

[Statkov] How did Todor Zhivkov treat the work of the MVR and you personally?

[Shopov] Things went along even without his intervention. He was mainly interested in intelligence. I was responsible for counterintelligence. There were no conflicts between us, but I was not one of those close to him, either. When I went to see him, I did not do it to lick his boots, like many others.

[Statkov] What are your thoughts on what the press has revealed regarding Dimitur Stoyanov's possible participation in the "Georgi Markov case" and something about your participation in another similar case?

[Shopov] That is pure sensationalism. But I do not know whether I am aware of everything....

[Statkov] In any case, is it possible, considering you were then first deputy minister, that something could have been hidden from you and could have been decided by other people in the ministry?

[Shopov] In the MVR, more specifically in State Security, work is very narrowly specialized, and not every deputy minister has the possibility or the right to look into the activities of another division or another deputy minister. That is why I did not get to see everything.

[Statkov] Does this mean that some of the more secret operations could have remained hidden from you?

[Shopov] Yes. They were not required to inform me of everything, even though I was first deputy minister.

[Statkov] How did the MVR administration react when the news of Georgi Markov's death became known?

[Shopov] It was not well received. The people on the administrative staff condemned it—not publicly and not violently, but among themselves. They did not think there would be any benefit from it.

[Statkov] Lately, there is a lot of talk about our MVR's past relationship with Soviet KGB instructors. How many were there in our country, and what did they mainly do? Were they only observers, or did they interfere in your work? Was there joint planning of tasks? Was permission from Moscow needed for anything? Were there any attempts to exert pressure?

[Shopov] There were attempts to exert pressure in the very beginning, after 9 September [1944]. I was not yet in the MVR, but I know that they came here almost immediately. Then, during Stalin's time, they tried to give us more advice and interfere in our work. Afterward, those tendencies were eliminated. In the beginning, they had representatives in every okrug administration in the country, with few exceptions. Their activities, however, were more tied to the chiefs of the DS [State Security] than to those of the militia. There was an average of 15 or 16 of them for the entire country. They did not participate directly in our work; they were only advisers, of whom we asked advice. They had diplomatic immunity as staff employees of the Soviet Embassy. But they used the same identification cards as our State Security officials. Some of them were not subject to security checks and had access everywhere.

[Statkov] Were they better paid than their Bulgarian colleagues?

[Shopov] Yes, they received more. They got paid in leva, but it is possible that they received additional pay in rubles.

[Statkov] Was there anything at all we could have learned from them?

[Shopov] We were completely ignorant in many respects. They even helped us prepare the most elementary work plans and programs.

[Statkov] Let us say that that is the way it was in the very beginning. But after you built your structures and gained experience, was the KGB's foreign presence here justified? Did it not contradict our national interests and security?

[Shopov] They restructured themselves quickly, both in numbers and according to function. They also stopped interfering in our work. They were gathering only information they were interested in and were sending it to Moscow.

[Statkov] What was their attitude toward the so-called revival process, in particular?

[Shopov] In 1984, when this process was renewed, I felt that they did not agree with what was happening. Not that they protested or made any loud comments; rather, they made them aside, among themselves, or to some of us.

[Statkov] Did some of them try to criticize Zhivkov?

[Shopov] If they did, they did not do it in front of us. There was no friction between us, except during the Stalin period after the Ninth [9 September 1944]. The distortions then took place with their help, mainly of a police nature in relation to processes with the opposition.

[Statkov] Let us go back to the "revival process." How do you evaluate it now, and who was its instigator?

[Shopov] We made a mistake.... The next to the last campaign, about seven or eight years before 1984, started directly from the Smolyan area. The initiative then was of the OK [Okrug Committee] of the BCP [Bulgarian Communist Party]. Because the population there is made up of Pomaks [Muslim Bulgarians] and not of Turks, it was easier to implement name changes. Our activists liked that, and the MVR organs were included; such a campaign could not have been carried out without them. Many of the comrades from above got to like this, including some from the top, as well as from the center. There was even a complaint that work in this respect was done only in the Smolyan area, while, in the neighboring Kurdzhali area, the comrades were not involved in Bulgarianization. Georgi Petrov was then first secretary, and he did not approve of what was being done. He had a different understanding and felt that this population should be integrated with the Bulgarian population in a different way. The Smolyan area was distinct in that the

communists who initiated this action were of Pomak origin. This contributed to the acceleration of the Bulgarianization process.

[Statkov] Who ordered the militia to "help"?

[Shopov] Not only the militia, but also State Security. The regional MVR divisions were included in the campaign from the very beginning. The party secretaries and instructors ordered and required that. This was accepted as the number-one task of the party, and they could not do otherwise. Later, in 1984, when Georgi Petrov was no longer first secretary of the party in Kurdzhali, it was decided that they lagged behind the Smolyan area. And so, the initiative was again taken up locally.

[Statkov] When did the CC [Central Committee] of the Politburo get involved?

[Shopov] When the movement gained momentum and additional forces were needed. There were some doubts and obstacles, but, later, all that was accepted as correct.

[Statkov] But, nevertheless, the situation resulted in violence and distortions.

[Shopov] This happened during the clashes that emerged. There were distortions, but they were seen differently then by some comrades, including some from the MVR.

[17 Apr p 3]

[Text]

[TRUD introduction] The instructions were to impede changes. There are decisions about which even the first deputy minister cannot know.

[Statkov] Let us talk again about the "Georgi Markov case." Because you said that you were not informed about everything, do you suppose that someone somewhere in Bulgaria made the decision for his murder? What comment would you make regarding the statement made by the former KGB General Oleg Kalugin?

[Shopov] I was simply stunned! It was obviously a setup—some personal feud or a settling of accounts. I cannot believe that Dimitur Stoyanov would act in such a stupid way. Such a decision cannot be made by one person, and, in principle, such a method is prohibited.

[Statkov] We all know that, at that time, some things were, according to law, only on paper.

[Shopov] The liquidation of someone can in no way be linked to our joint work with the Soviet special services. I cannot tell you about such cases specifically. Perhaps in the [concentration] camps...

[Statkov] Did you know about their existence?

[Shopov] The Lovech camp was taboo. I had heard about it but did not know the details. I have visited only Belene, and I knew about the resettlements.

[Statkov] They say Mircho Spasov was a sinister individual.

[Shopov] There is something like that....

[Statkov] Some horrible things have been said about Dimitur Stoyanov, also.

[Shopov] He came directly from the party committee as first secretary of the BCP in Veliko Turnovo. From there, he was sent directly to the Soviet Union to the state security school. When he came back, he immediately became minister. He was designated by Todor Zhivkov in advance. He worked very diligently, but I do not think he had what it takes to be a leader; he was very slow. We have had differences of opinion.

[Statkov] Slow, but loyal?

[Shopov] Yes, loyal.

[Statkov] Was he surprised by the events during the last days and weeks before 10 November? And especially the activity in front of the Kristal enterprise?

[Shopov] This was not a long period, but it was very difficult. Life changed quickly; we had no direction. We were not given instructions on how to act in the new situation. Actually, the instructions were more to impede changes. They were given not only by Dimitur Stoyanov but also by the CC, where there were almost daily meetings of the operations staff and groups.

[Statkov] Give us some names.

[Shopov] Yordan Yotov was responsible for this division at one time. Also Chudomir Aleksandrov, Milko Balev, Todor Zhivkov. Along the hard line, Petur Mladenov could also give approvals, but not final ones, of course.

[Statkov] Who would you include in the so-called Zhivkov circle?

[Shopov] Everyone who listened and did as he said: the entire Politburo, the CC, the okrug secretaries—in general, everyone....

[Statkov] Including those who now keep a low profile in Parliament?

[Shopov] Of course.

[Statkov] Who would you point out as one of those responsible for the catastrophe?

[Shopov] The ones now singled out during Zhivkov's trial and those in the BSP political declaration are not all of them....

[Statkov] What do you think about that declaration?

[Shopov] It is quite weak; it does not tell things to the end.

[Statkov] And what is your attitude regarding the opposition?

[Shopov] There must be opposition, by all means, but not exactly such as ours. It must be more educated and restrained, and not so quarrelsome.

[Statkov] Did you meet some of its leaders during the times of the camps?

[Shopov] No, only around the resettlements. The resettlements were a shameful spot on our party. I, personally, considered the resettlements as a preventive measure, something to serve as an example of what can happen to others. But only in isolated cases. There were, however, those who were undeservedly resettled, but this was for revenge on the local level.

[Statkov] After all this, do you still believe that the BSP will change?

[Shopov] Changes do not happen quickly. More people must be separated from the party—for example, Lilov, Lukanov, and others from the older generation.

[Statkov] Do you think that there will be sensational discoveries made regarding the activities of the special services, as, for example, the Stasi in the GDR?

[Shopov] They will hardly be anything like the things about the camps.

[Statkov] Will we learn the truth about Georgi Markov? Do you suppose that Dimitur Stoyanov had something to do with this business?

[Shopov] If there had been a decision made from above, then it is not impossible that he knew about it and approved it. But we are not talking here of a broad collective decision, and I do not believe that Stoyanov was either directly or indirectly active in it. Oh well, everything is possible in this world.

[Statkov] And now about the case that concerns you directly and that Minister Danov mentioned. Do you remember the name of the person who had to be liquidated, according to some possible scenario?

[Shopov] I do not know which individual we are talking about. I cannot tell you anything specific. I am sure there have been such cases. Someone might have made similar decisions without my knowledge...according to the specific "subject." These things were prohibited, but it is possible that somewhere down the line they happened.

[Statkov] In this case, we are talking about an individual called Boris Arsov.

[Shopov] Yes, I remember the name. But I do not remember the details. He probably betrayed the Native Land, as it was called then. During a given stage, I also approved calling those working against Bulgaria in that way.... I remember now, Boris Arsov worked against Bulgaria for years. But I do not remember the case file itself, or which of our officials worked on it. The scenario for his possible liquidation could have been attached to

the file later, without my being informed about it. I did not sign anything like that personally.

[Statkov] What was the criterion for making such a decision?

[Shopov] The person who is working on the case of a given individual, about whom we have signals, can, in a given moment, decide that the time has come for his neutralization if he is especially dangerous to the country—for example, if he is working for some foreign center or is entering Bulgaria illegally. There was something like that about Arsov; he was one of the active enemies. The operations official who worked on the case had probably drafted a verification-proposal for his neutralization. This does not necessarily mean his physical liquidation, but winning him over, detaining him, and bringing him into the country.

[Statkov] So that means there have been cases of liquidation?!

[Shopov] Rarely, but there have been. The situation with Georgi Markov is different. Because he was a well-known individual, any possible decision for his elimination could not have been made from below, but only from the highest place and by a very small circle, or by a single individual. I did not have the right to sign something like that. One way or another, this practice has existed in the world from way back.

[Statkov] Yes, but at that time "protection of national interests" meant actually the protection of party interests. In this sense, the "enemies of the Native Land" were most often the enemies of the BCP and not of their people. And, so, the inconvenient ones were eliminated.

[Shopov] Yes, something like that. Times are different now....

[Statkov] Regarding the scenario in question, Arsov, as a political emigrant, had to be liquidated in a most butcherlike manner: multiple stab wounds with a knife in the region of the heart! But the plan was not carried out because Arsov was tricked into coming back to Bulgaria. He died afterwards in the Pazardzhik prison; they say he hanged himself, but that could have been staged. Two of the three military officers, then your subordinates, who signed the scenario are still living. What would they "remember"?

[Shopov] I do not remember who they were, but I am sure they will wash their hands with me. And what will happen then, even after Minister Danov's statement that Shopov is a murderer and, if he had wanted to, could have committed murder anywhere in the world!? People know me as a citizen, not as a murderer.... At home, now, we are all very worried.

[Statkov] Many people now use the convenient expression "such were the times" to justify their activities. What about you?

[Shopov] It is true that such were the times, but I do not want to make excuses. Whoever is guilty, let him answer to the law.

Status of Bulgarian Citizens Abroad Discussed

91BA0596-A Sofia DEMOKRATSIYA in Bulgarian
17 Apr 91 p 6

[Interview with Yanko Kozhukharov, an official of the Commission for the Rights of Bulgarians Abroad and of the Committee for the Salvation of the Bulgarian Nation, by Yordan Mitev; place and date not given: "More Than 1 Million Bulgarians Live Abroad"]

[Text]

Biography

Yanko Kozhukharov (born 1949) graduated from the Institute of International Relations in Moscow in 1975. Between 1984 and 1989, he lived clandestinely in Bulgaria, having been sentenced under Article 273. He is a candidate for people's representative in the Grand National Assembly on the SDS [Union of Democratic Forces] ticket for the 11th multiple-mandate electoral district in Mikhaylovgrad. He is also a member of the Executive Council and coordinator for the USSR of the Commission for the Rights of Bulgarians Abroad, and a special representative to Europe and the United States of the chairman of the Committee for the Salvation of the Bulgarian Nation.

[Mitev] You have rather impressive duties!

[Kozhukharov] This is also public service.

[Mitev] Let us begin with the emigres.

[Kozhukharov] According to the new Bulgarian legislation, there are virtually no emigres. They are all given the status of permanent residents abroad. It is very difficult to determine their number. We would not be wrong in saying that they exceed 1 million people.

According to the old legislation, dual citizenship was not permitted in Bulgaria, and, if a Bulgarian citizen were to accept foreign citizenship, this could result in the loss of his Bulgarian citizenship. However, such loss of Bulgarian citizenship was not automatic with the adoption of another citizenship but had to be based on a ukase drafted by the State Council, and deprivation of citizenship was considered a type of punishment. In practice, however, very few emigres were deprived of their Bulgarian citizenship, and, although they had not carried Bulgarian passports for years, they remained Bulgarian citizens because it is the citizenship that determines the type of passport one carries, and not vice versa.

What I am trying to say is this: If you are a Bulgarian citizen but do not have a Bulgarian passport, you remain a Bulgarian. Conversely, if someone were to somehow

issue you a real Bulgarian passport but you did not have Bulgarian citizenship, you could not acquire it with that passport!

It was in this regard that our commission made its statement on the question of Mr. Lukanov's citizenship, independent of our sharp criticism of him on other matters. In his case, although his parents were Soviet citizens, they had not lost their Bulgarian citizenship, for which reason he did not have to prove that he is a Bulgarian citizen, on the basis of the presumption of innocence, as stipulated in the Penal Code and the Constitution.

[Mitev] Actually, we have some 1 million Bulgarians living abroad, who could obtain Bulgarian passports at any time—provided, naturally, that they request such passports. Are they aware of this?

[Kozhukharov] Most of them are. Some of them have already obtained their passports. Others, mainly those who have no foreign citizenship but the status of political refugees, do not aspire to have such passports. Acquiring them would be proof that they are no longer persecuted in Bulgaria, which would be grounds for losing their status as political refugees and their right to remain in a given country. This would wreck family, legal, economic, and other already established relations. Once again, they would be forced to pull up their roots.

[Mitev] Is it likely that some such Bulgarian citizens would be among the first to participate in buying privatized enterprises?

[Kozhukharov] Let us be objective: There still are no proper conditions and corresponding legal acts to this effect. The prevailing opinion notwithstanding, by no means are all emigres rich, even by our standards, and, from this point of view, they would not be able to participate in this process. On the other hand, there are some who would do it with pleasure—and their number is substantial.

[Mitev] What is the job of the Commission on the Rights of Bulgarians Abroad?

[Kozhukharov] The commission protects the rights of all Bulgarians abroad, regardless of their party, racial affiliation, or religious beliefs, and regardless of who has violated such rights, whether Bulgarian or foreign institutions. The seat of the commission is in Vienna, with branches in Germany, the United States, the Soviet Union, Italy, and France. Dr. Dimitur Chavdarov, who left Bulgaria 36 years ago, is the commission's chairman.

[Mitev] Could you give us a specific example of the activities of the commission? You are the coordinator for the USSR.

[Kozhukharov] The commission issued an opinion on the strike of the loggers in the Komi ASSR, organized by the Podkrepa KT [Labor Confederation], which was expressed in an appeal to the strikers to replace the strike with another form of trade union struggle. This was

necessitated by the fact that, according to Soviet laws, foreign workers in the USSR do not have the right to strike. (Let us set aside the question of whether this is fair or not.) It was after our statement that the Sofia City Court passed a resolution that the strike was illegal.

On the other hand, the term of the contract of the Bulgarian workers in Komi was expiring, and the local government stated, in the form of an ultimatum, that, should the strike continue, the contract would not be extended. This really threatened the shipments of lumber and, consequently, of paper to Bulgaria. The question of extending the contract with the Bulgarian loggers in Komi has still not been resolved positively. We hope, however, considering the prompt termination of the strike, that this will happen.

[Mitev] What could all other Bulgarians working in the USSR, whose contracts have been definitively terminated and who should return to the homeland, expect?

[Kozhukharov] All in all, there are some 2,500 permanent Bulgarian residents in the USSR. In the past few months, more than 1,500 new petitions to remain in that country have been received. According to preliminary data, the reasons are mostly familial and economic. Those who do return to Bulgaria will most likely join the new army of the unemployed. We already know that differences in the costs of traveling and permanent return will be absorbed by the budget. Our embassy in Moscow, which showed understanding for the demands of the workers and of our insistence, deserves exceptional credit.

[Mitev] In conclusion, can you tell us a few words about the Committee for the Salvation of the Bulgarian Nation?

[Kozhukharov] Whereas the commission deals with human rights, the Committee for the Salvation of the Bulgarian Nation is interested exclusively in ethnic problems. It, too, is headquartered in Vienna. Its chairman is Eng. Svetoslav Kazandzhiev. On 3 March 1991, the emigres in Austria celebrated, for the first time, the anniversary of the liberation of Bulgaria from Turkish slavery, for which purpose the embassy rented Wittgenstein House. It was in the course of that celebration that a request of the committee, made to the Bulgarian institutions to pass a law on the protection of the Bulgarian nation, was made public.

In the case of that committee, as well, let us note that most of the work must be done in the Soviet Union, which has the largest Bulgarian ethnic group abroad. It is still too early to determine its fate.

[Mitev] Do you meet with understanding on the Bulgarian side?

[Kozhukharov] A high percentage of the personnel in the Ministry of Foreign Affairs are depoliticized officially in order to be able to keep their positions. Actually, they have remained ideological supporters of the BCP/BSP

[Bulgarian Communist Party/Bulgarian Socialist Party], and it would be naive to expect the opposite. Nonetheless, we have found a common language at the embassy in Moscow in Emil Markov, who is interim ambassador, and in Consul Todor Todorov, and at the embassy in Vienna in Minister Plenipotentiary Georgi Dimov. We are receiving considerable cooperation from the Presidency and, above all, from Mikhail Ivanov, adviser on national-ethnic problems. We are grateful to all of them.

Bulgarian National Bank Chairman Interviewed

91BA0578A Sofia DUMA in Bulgarian
17 Apr 91 pp 1, 6

[Interview with Todor Volchev, chairman of the Bulgarian National Bank, by Dimitrana Aleksandrova; place and date not given: "The 99 Days of Banker Todor Volchev"]

[Text] [Aleksandrova] "Bulgaria is a bankrupt country," was the frequently repeated statement on or about 9 January, the day on which the parliament elected you to be chairman of the BNB [Bulgarian National Bank]. Did you inherit a bankrupt national bank?

[Volchev] Of course not. Commercial banks may go bankrupt, but that would hardly happen to a central bank. I entered an institution with a 100-year-old tradition and, generally speaking, a good foundation. Unfortunately, the foreign currency reserves had reached the almost zero point, and most of the instruments used by the central banks, such as operations on the open market, minimal reserves, rediscounting, and so forth, had been neglected for many years. I am sure that we will not encounter particular obstacles in freeing the BNB from its functions as a commercial bank, so that it can concentrate exclusively on its role as a central bank, the purpose of which is to preserve the stability of the national monetary unit, to increase foreign exchange reserves, and to pursue its credit, interest, foreign exchange, and emission policies.

[Aleksandrova] Your 99 days will probably be remembered with good news, the agreement reached with the International Monetary Fund, and bad news, the increase of the basic interest rate and the interest rates on the old loans. Does your assessment agree with this definition of good news and bad news?

[Volchev] We could not have returned to the world monetary and capital markets without normalizing relations with the international financial organizations, such as the IMF, the World Bank, the International Payments Bank, and others. In this respect, the good news items during the 99 days were several. Unfortunately, progress in improving relations with foreign commercial banks has been much slower.

As to the interest rates, their increase, although unpleasant to many, was absolutely necessary in order to support the anti-inflationary policy of the government. The question now is this: How long should we keep them

at their present level, and in which direction should we change them—should we raise them or lower them? In this respect, differences exist between banking circles and government experts. A decision will probably be made after a detailed analysis of the condition and trends of the economy between the end of April and the beginning of May.

[Aleksandrova] What are your other three most important accomplishments?

[Volchev] The administrative council decided in favor of a certain liberalization of foreign exchange; we opened an interbank foreign exchange market; and we drastically stopped the expansion of credit and undertook to review the debts of enterprises in order to find methods of improving the balance sheets of commercial banks and enterprises. Not very much has been done. More difficult problems are awaiting solutions.

[Aleksandrova] The first phase of the economic reform is described as monetary. How does it look from the position of chairman of the BNB?

[Volchev] The bank participates essentially in monetary stabilization but is also thinking of the so-called real economics of production, circulation, and employment. We are pursuing our objectives in the areas of interest rates, foreign exchange rates, and the monetary mass. The other major monetary segment that must achieve its objectives—the state budget—is also very important. At the same time, both segments should be careful and not exert excessive pressure or apply brakes that could adversely affect production and business activities. Monetary stabilization loses its meaning if an economic depression becomes excessively severe and lengthy.

[Aleksandrova] Of late, we frequently hear the charge that commercial banks are not behaving like banks. Do you share this view?

[Volchev] It is only now that a market for money and capital is taking shape in our country. It is natural for some banks not to behave suitably. Some banks operate with excessively high margins (differences) between the "buy" and the "sell" rates, and between interest rates paid on deposits and charged on loans. Some banks are paying dividends without having set aside adequate reserves. With the intensification of competition and the appearance of foreign banks in our country, those who do not change their behavior will lose their customers.

[Aleksandrova] Why did you decide to sell the shares in commercial banks owned by the BNB?

[Volchev] The decision was made as early as last year and is basically correct. It is not possible for the BNB to be a major stockholder in commercial banks and, at the same time, supervise them not administratively but for the sake of maintaining the stability of the credit system. We temporarily stopped the sale of our stock for two reasons. First, because the share of the BNB should be sold on the basis of its actual value and not at a

discounted price, which presumes a reassessment of the assets and liabilities of the respective bank. Second, because BNB stock could be used in the consolidation of commercial banks and in turning the small regional banks into their branches. Let me emphasize that this process will not be administered but will be based on reciprocal agreements and will be conducted in the interest of the participants.

[Aleksandrova] We are expecting new loans of about \$3 billion this year. Will this not increase Bulgaria's foreign debt rather substantially?

[Volchev] The new loans that will actually be granted will, in all likelihood, be far less than the \$3 billion. Such loans are necessary to cover the debit in the balance of payments, to import raw materials, and to increase foreign exchange reserves. The foreign debt will inevitably increase, and we must see to it that it does not reach an amount that would make it uncontrollable.

[Aleksandrova] What is the sum total of unpaid foreign debt payments last year, and how much should we pay this year? What percentage of our foreign debt is owed to various governments? How are the talks on rescheduling payments going?

[Volchev] Such questions should be asked of the commission in charge of foreign debt management. Let me briefly point out that, in 1991, we shall not be paying either interest or principle. For the time being, the talks being held with private banks at the London Club deal exclusively with the periodical postponement of payments for another three months. The talks at the Paris Club on loans guaranteed by the governments are merely beginning. They account for about 15 percent of the overall debt. Overall agreements on rescheduling debts, lowering the interest rate, and partially forgiving some amounts could be expected toward the end of the year or shortly thereafter.

[Aleksandrova] Why is it that, so far, all Bulgarian statesmen refuse to provide details on the so-called recommendations of the International Monetary Fund?

[Volchev] Usually, while discussions are taking place, details are not announced. At the end, as the agency of a sovereign state, the government submits in a rather lengthy letter to the IMF its intentions in the field of economic policy. This "letter of intent" covers several dozen pages. Its content is not a secret; the targets and indicators it contains are subject to periodical review in accordance with the course of the stabilization program and the changing circumstances. By the end of April, once again the mission of the IMF will be a review of the implementation of our intentions and an eventual revision of objectives and indicators.

[Aleksandrova] In 99 days, were you able to become a member of the global banking lobby?

[Volchev] That cannot be accomplished in 99 days. One needs personal contacts, and urgent work has kept me,

for the time being, in the country. In February, I attended the meeting of managers of central banks in Basel, and I already know personally some 10 of them. It will take some time before an attitude of trust and sympathy toward our banks has developed.

[Aleksandrova] The draft law on the BNB has already been submitted to the parliament. Do you believe that, with its adoption, our national bank will become independent of the executive branch? Would you comment on that text in the draft that stipulates that the members of the administrative council must be appointed by the president?

[Volchev] Even now, the BNB is independent of the executive branch. The Law on the BNB will strengthen this stipulation. In most countries, the chairman of the central bank is appointed by the president. In our country, both the chairman and his deputies are elected by the parliament. The other members of the administrative council could be appointed by the president of the Republic or by another authority. This will be decided by the National Assembly.

[Aleksandrova] Does Professor Volchev occasionally argue with the chairman of the BNB?

[Volchev] Naturally. As BNB chairman, I must support the policy of the government, provided that it does not conflict with the task of the BNB as stipulated by the law.

On the other hand, my personal views on the economic situation and the necessary steps to be taken may occasionally differ from the views of some economic ministers and even from the views of the bank's deputy chairmen. So far, we have been able to reach common decisions, inevitably involving some compromise. Let us hope that, in the future, we do not face deeper basic differences.

[Aleksandrova] On 9 January, political forces in parliament elected you BNB chairman, following a great number of unanimous compliments. Do you think that 99 days later you will hear the same compliments?

[Volchev] Absolutely not. The policies of the bank affect the interests of different strata, business circles, and managers. There are always people and groups interested in other solutions.

The objective of the BNB is not to earn money for itself or revenue for the state budget. Our task is to create framework conditions that will make it possible for the national economy to function efficiently. Even if we are successful in such an initiative, it is only experienced economists who will clearly see the connection between the policy of the bank and the changes that are occurring in the economy. Most people tend to assess the actions of the bank on the basis of the way they affect their immediate interests. I expect that, in the future, there will be more criticism and discontent than praise.

Social Democratic Group Separates as New Party

91CH0587A Frankfurt/Main FRANKFURTER
ALLGEMEINE ZEITUNG in German 3 May 91 p 14

[Article by Ota Filip: "Rudolf Battek Seeks Middle: End and New Beginning for Czech Social Democrats"]

[Text] In 1990, 40 years after being outlawed by the communists, Czech Social Democracy reentered the political scene with the worst election returns of its 112-year history. Receiving only 3.8 percent of the vote, the party did not gain entry into the House of the People and the Federal Assembly. An attempt by Social Democracy to remedy this miserable situation by absorbing ideologically orphaned communist reformists and marxists proved futile, and led to a split in the party at the party congress in Ostrau in April 1991. The Social Democrats, who were elected into the House of the People and Parliament on the Civic Forum ticket rather than the Social Democracy ticket, announced the withdrawal of their "Clubs of Social Democrats in the Civic Forum." At the same time they announced the formation of a new Social Democracy, not infiltrated by communist reformists and marxists.

Rudolph Battek, the chairman of the House of the People and deputy chairman of the Federal Assembly, has been one of the leading figures of the intellectual opposition. He is a Social Democrat who was elected to parliament in 1990 on the Prague Civic Forum ticket and subsequently expelled from Social Democracy by his adversary, the chairman of Social Democracy, and pitiful loser in the election, Jiri Horak. Battek is the future chairman of the second Social Democracy, which is to be introduced to the public at its founding congress in Prague in May 1991.

Forming a party in Prague is no difficult thing. It is when the new Social Democracy attempts to find its niche in the Czech political arena that difficulties will arise. The conservative wing is occupied by the Civic Forum and the Christian Party, and the remodeled, emphatically non-Marxist Czech Communist Party has firmly established itself as the left wing. After all, the Communist Party did receive 17 percent of the vote. Consequently, it needs no allies; the party has representatives in the House of the People and Federal Assembly and can pursue its own policy and employ its persuasive propaganda without having to consult political partners. Why, less than two years after the revolution, should the left-leaning citizen cast his vote for Social Democracy, a party infiltrated by communist reformists and marxists—the losers in Czech history, when he can cast it for the remodeled Communist Party, a party which is presently attempting with some considerable success to reestablish its pre-Stalinist tradition?

Battek, the future head of the other, new, Social Democracy, knows that there is nothing to gain in seeking either the left or the right, that his only chance lies in the middle. Before World War II and until the communist takeover in 1948, this middle ground was occupied by

the patriotic National Socialists. They, however, no longer play a role in Czech politics. "In our policy, we will try to unite two contradictory elements: political pragmatism and political idealism," says Battek. This may sound a bit pathetic to western ears, but idealism, despite being dead and buried many times over, still plays an enormous role in Prague. When Battek says "we," he is referring to a group of Social Democrats of high moral standing who were persecuted and forced underground ten years before the velvet revolution occurred in the Fall of 1989. It is important to Battek to emphasize that "the Social Democrats never saw themselves as a gray area between the marxists and communist reformists or between the communists and the other politically stratified groups within the intellectual opposition." After the revolution, it became clear to the Social Democrats that the experience they had gained while working together with the communist reformists in the underground would be of no use to them in the political life of a free society. While they were being persecuted, everything revolved around survival. In a free society, everything revolves around power and politics. And where power and politics are concerned, Battek wants no dealings with communists—reformed or not.

The monumental reprivatization of industrial establishments, most of which are obsolete and unable to compete, is soon to begin. The Prague government estimates that once this occurs, there will be at least one-half million people out of work. Will Battek's new Social Democracy offer, if not an immediate solution to the problems of these people, at least some answers? Or will it abandon the Czechs, Moravians, and Slovaks to the slickly executed propaganda of the Czech Communist Party? Battek answers: "We have no new, brilliant answers to the unemployment problem. We will look for answers in the experiences and history of the western social democrats, in their struggle to establish a society which will provide its members a social safety net." His answer prompts the question: Who in the present-day CSFR is going to pay for such a society? Battek admits "We are probably naive idealists where that is concerned. The fact is that we do not have the money to provide a safety net for those who are out of work."

There is idealism to spare in the ranks of the new Social Democrats, but, unfortunately, only idealism of that type. Battek is also an idealist; however, he promises nothing. His greatest asset is the large assortment of capable people who are determined to pursue a policy beneficial to the people. "This all sounds like a pipe dream," says Battek, "but we have no choice but to begin, in may, to build a new, believable, Social Democracy from scratch."

"When a politician says that he is not interested in power," Battek continues, "he frightens me. If, in May 1991, we join the struggle for power, we must use the not quite two years until the next election to convince our voters that we are doing so not for personal gain, but in order to implement Social Democratic politics."

But just what are Social Democratic politics? For Battek, this means above all a party which is not centralized or directed from above. His "Clubs of Social Democrats" have proved themselves and should be further developed as open discussion forums. The new Social Democracy will not allow the creation of power structures within the party. The Social Democrats have been warned: the chairman, Jiri Horak, is determined to have everything in the party under his control. And he has indeed achieved this, thereby bringing about the end of the Czech Social Democracy. This party, so rich in tradition, is now no longer a modern party, but rather a retirement home for frustrated, but still power-hungry former Stalinists; for communist reformists attempting to save face, despite having lost it many times over; and for marxists trying to start over again somehow, somewhere. The difficult economic and political situation in the CSFR, too, will not make it easy for Battek's Social Democracy. But one thing is certain: His party will not find it necessary to search for a "human face," for it has one. Nor will it find it necessary to cling to politically and ideologically frustrated heroes or to find its strength and salvation in the arms of former apparatchiks. Battek's party can once again use the expressions "hope" and "idealism" in the Czech political arena without shame.

History of Ruthenians' Struggle Described

91CH0610A Prague LISTY in Czech No 2, 91 pp 22-25

[Article by Helena Nemcova: "Enormous Problems of a Tiny Country"]

[Text] "From Jasina up to As, the Republic belongs to us"—little members of the Sokol organization sang loud and clear in the streets of Prague as they were concluding the 10th All-Sokol Festival with a spectacular manifestation. I am referring to the summer of 1938 when those who lived between As and Jasina gathered [in Prague] to celebrate and appreciate the fact that they lived in a common state, because the length of life Subcarpathian Ruthenia as such was allotted was the same as that of the so-called First Republic.

For a millennium that tiny country with an area of 12,600 square kilometers belonged to the Hungarian Crown. After protracted diplomatic negotiations in the final days of World War I and after the disintegration of Austro-Hungary, the Treaty of Paris in May of 1919 proclaimed it an autonomous part of the Czechoslovak Republic.

Most of the original population (at that time a little over 600,000 residents) were Ruthenians who inhabited small villages in the mountains that were quite backward both from the economic and the cultural point of view. The Hungarians constituted the majority in the slightly more advanced lowlands near the southern border. Individuals from the historical countries, primarily the Czechs, had to organize schools, health services, communications, housing construction, cultural and educational

institutions from scratch there. Those who came to help earned the trust and friendship of local citizens, and the generation born here felt very much at home. Prague, which dragged its feet with the grant of autonomy, was not regarded with any excessive admiration. Although that was not the main reason why we lost Subcarpathian Ruthenia after twenty years (naturally, the CSR [Czech Socialist Republic] would have fallen apart anyway under the tumultuous circumstances), it generated considerable misunderstandings and a growing split. In the second half of the 1930's this mysterious oasis of old-world romanticism, as described by [Ivan] Olbracht and [Karel] Capek, was gradually transformed into a restless political arena where nationalist passions were burning bright. The Ruthenians were engaged in a dogged battle with the Ukrainians.

The Ruthenians are the descendants of a Slavic tribe that in the days of the great migration of peoples settled on a territory spreading from western Galicia over the Carpathian Mountains (hence, Subcarpathian Ruthenia) and Romania down to the Danube delta. Historians provided evidence that this branch of Slavic peoples did not originate in the cradle of the Kievan Russia and never was part of the Ukrainian nation. As Ruthenians, they had survived a millennium of foreign domination; they survived it with their own language and customs, thanks to the aid rendered by their emigrants who had gone overseas to earn their daily bread. At present, their enclave in America counts about 700,000 American Ruthenians.

The Ukrainians also went overseas, driven out above all by national oppression; most of them settled in Canada. This group of politically more experienced, or rather, more ambitious emigrants, who diligently followed the developments in Europe, felt that Hitler's ascent could offer them a chance to fulfill their ancient dream of a Great Ukraine, and as its springboard it chose Subcarpathian Ruthenia. With the help of their ideological followers, mainly those from the ranks of emigres, they began to exert pressure on the Ruthenians, now with demagoguery, now with handouts, they recruited, almost exclusively in towns, small groups of disoriented "natives." Gradually, two camps emerged: the Ruthenian followers of [Alexander] Dukhnovych, and the Ukrainian Shevchenkoviets. The struggle was waged mainly in schools, with teachers teaching here in one and there in the other language, simply according to their political orientation. Even classes in the Ruthenian language were taught one way here and another there. Naturally, the skirmishes spread from schools to streets and to the general public. In early October of 1938 Prague at long last decided to grant them autonomy; under the assumption that it would help calm the situation, it appointed a government composed of Dr. Andrej Brody (whose father was a Hungarian and mother a Ruthenian) as prime minister, and Istvan Fenczik (a Hungarian) as minister. However, in no time this government became discredited and had to be recalled; the Gestapo submitted to Prague some documentation suggesting that Brody was selling out Subcarpathian

Ruthenia to Hungary, which has been disproved by the currently available records. Later, during the war, Fenczik turned into a real "blackshirt." As a deputy of the Hungarian parliament, Brody tenaciously demanded Ruthenian schools for the local population. After the arrival of the Red Army, he was executed.

When Brody's government fell, Prague nominated by telephone his successor, A. Voloshin, a local citizen of Ukrainian nationality. The Dukhnovych followers were defeated; ethnic tensions between these two rivals did stop, but others were exploding. After Munich, when the southern part of the Subcarpathian Ruthenia, including its capital Uzhhorod, was ceded to Hungary, the government of "Uncle" Voloshin settled down in Khust and surrounded itself with the Sitch guard which for some time already had been commuting for instructions to Berlin; it displayed the blue-and-yellow Ukrainian banners alongside of which the swastikas fluttered in harmony; at the salutation "Glory Be to Ukraine" it was obligatory to raise one's right arm. Anti-Czech demonstrations with chants of "Dump the Czech rats in the Tisa River" were taking place literally every day and NOVA SVOBODA, a local publication, surpassed by far even ARIJSKY BOJ. According to it, the Czech government was, and I quote: "... a handful of bankrupt political gamblers and adventurers with whom we no longer wish to have anything to do. We can much better and far more effectively cooperate with the great German nation." Prague appointed the government composed of the prime minister and the interior minister in one person, as well as of Minister Revay, but all it would do was to pour more oil on the flames.

And then came 13 March 1939. During that night weapons from our military arsenal, which by Voloshin's command had been added to Sitch's arms, were used to shoot to death the guards of several military objects; starting that morning, there was shooting from everywhere and at everything in the streets of Khust. It was not until that afternoon that the Sitch headquarters (in the Koruna hotel where the German consul also was in residence at that particular time) were liquidated and only then the situation became relatively calm. The local government availed itself of that opportunity to proclaim an independent republic under the name of the Transcarpathian Ukraine. In the morning of 15 March, General Prchala, accompanied by two armed guards, drove away in his personal automobile in the northwest direction; military units assembled near the officers' mess were burning documents and distributing supplies; the people who arrived there were put on the same military trucks that for many months had been bringing supplies to this corner of the republic because now the railroad was on the Hungarian side. The motorcade also turned northwest, but its passage was impeded by the gunfire from the Sitch units. So it turned toward Romania. There was some shooting there as well; until the middle of the dramatic night from 15 to 16 March people were crossing a bridge near Tachov—the vehicles were left to Sitch, however, that was just for a short

while; armed transport, the last to leave Khust, brought to us vehicles and our motorcade began to move by fits and starts across the territory of Romania. It was weaving and turning around the Romanian units departing wherever their mobilization order commanded them to go, until it was decided that it would make more sense to turn the vehicles over to the Romanians and put the passengers on trains. It took five long sets of cars. The trains crossed Romania, Yugoslavia, and Austria and two weeks later reached their destination. Those Czechs who had missed this "connection" traveled later in groups through Hungary according to a prearranged plan.

In brief, this only means that Subcarpathian Ruthenia as such ceased to exist on 15 March 1939; the following day the Republic of the Transcarpathian Ukraine also fell and was occupied by Hungary.

In October 1944 the Red Army liberated (?) the territory of the former Subcarpathian Ruthenia. In November a congress of local soviets held in Mukachevo declared itself the sole representatives of that territory; it established the Transcarpathian Ukraine, decreed its definite separation from Czechoslovakia, and elected its supreme state institution—the National Council headed by party secretary Turianitsa. Then in June 1945 the governments of the USSR and of the CSR concluded in Moscow a treaty whereby the CSR ceded the Subcarpathian Ruthenia; it was ratified in November.

In the mid-1960's I visited the region under discussion. Those three days were so full of official functions that I could speak with "ordinary" people only when I succeeded in sneaking away from my guides. Those were poignant moments. I guess that the bitterest tears welled up in my eyes when at an empty table on a Sunday afternoon I asked my former schoolmate what to send her and she answered: "A Latin dictionary." A what? "Those Latin words would bring back memories of a time when everything used to have some meaning, even the words of a dead tongue. I am now married and I have children, but long ago I have lost the feeling that anything makes any sense anymore."

And then last fall I returned. In those 25 years everything the eyes could see (and here I do not intend to make any comparisons with the era of the First Republic) looked even shabbier, more squalid and wretched. Stores are empty, butcher shops do not open at all, restaurants no longer prepare meals. Trade is non-existent; towns are surrounded with wasteland instead of vineyards; forests have been cut down; the brooks where we once used to catch crayfish have vanished; all that is left of the rivers are muddy puddles. And yet I witnessed a miracle there. The dam of silence was broken, the fear is slowly disappearing, the backbones are straightening up, the people's memory bears witness to the years when two persons could not to share their despair even under the blanket in bed.

The nation's memory bears witness to November 1944 when by the order of the liberating army all Hungarian and German men from 15 to 60 years old were summoned for three days of emergency work. They departed in clothes in which the recruiters had found them; they could not put as much as a piece of bread in their pockets. Then they had to "clear" the whole area from the Carpathian Mountains to the Urals—in the same clothes in which they had arrived. They slept in holes dug in fallen leaves, pine needles or snow. Day in and day out, they were served a ladleful of warm water with a few beans. They would strip what rags were left on corpses, so that they could wrap in them their sick comrades whom they had to abandon to their fate. Some did survive and return after two years. They bear witness and with them, also the local press which has been publishing for several months long lists of names in whose memory the survivors are lighting candles. Last autumn they lit about 15,000 candles.

In the first days after the liberation more individuals disappeared in other ways. Simply, one day they were here and the next they were gone. After "public" trials, all their families received was oral information that the sentence had been carried out. Prime Minister A. Brody's widow and son had the same experience; now they showed me the decree of his rehabilitation. Other people also received similar decrees. The Brodys are waiting to this day for the court decision concerning their litigation for restitution of their property so that they may learn whether they can move from their cottage to the manor. As a matter of fact, from their cottage in an old orchard they can glimpse the roof of their villa on Olbracht Street which now houses the offices of a scientist from the Upper Country.

The Greek Catholic priests also offer some interesting testimonies about the methods applied by the rulers of this country. For three years the priests had been pressured to declare themselves Orthodox Ukrainians; Dr. Ortulay was even offered a professorship at the Lvov seminary. There were 270 clergymen who would not convert to the Orthodox religion (among them, Dr. Elemer Ortulay who recently wrote to me how proud he was of being able to add to his name "former student of the seminary in Olomouc") and would not renounce their Hungarian nationality. They were sentenced on various trumped-up charges to many years in Siberian camps. Some of them returned seven years later, after the 20th Congress.

Officials from the Upper Country, mainly from Russia and the Ukraine, moved into the homes of the deported, executed and otherwise wasted persons. The native population was offered a choice: are you Russians or are you Ukrainians? Will you send your children to Russian or to Ukrainian schools? There are no Ruthenians and no Ruthenian language.

How many times was this repeated? They had survived a thousand years of the Hungarian domination. Then, in the 19th century, Fr. Dukhnovych, an enlightened priest,

was able to publish Ruthenian readers, write Ruthenian books, and teach children their mother tongue in schools. His readers were "applied" during the First Republic. Voloshin's followers, under the sway of Nazi ideology, were the first to reject them and then the Soviet authorities followed the suit. It is interesting that the Rukh members, followers of the same movement that in the Ukraine strives for an independent Ukraine, are now repeating the Sitch trends in the Subcarpathian Ruthenia. In the Ukraine these efforts are identical with a process taking place in all of the Soviet Union. It is possible that at the moment when the reader of LISTY reads these words many things will be clearer and the outcome of the referendum will be known. However, it would be extremely unfair if a state that is learning to use its newly gained freedom would begrudge another nation the right to be free, and moreover, if it would deny its existence.

The Subcarpathian Ruthenia, the Transcarpathian Ukraine, Transcarpathia, or whatever name I may call it, has at present a population of 1,258,000, 200,000 of them a solid Hungarian minority that is very fervently and successfully claiming its rights in the state administration, in the school system, everywhere. Numerically smaller ethnic groups of Germans, Romanians, Slovaks, Jews, and Romanys are following its good example. The idea of the Great Ukraine means as little to them as it does to the Ruthenians. Other members of this ethnic spectrum have assumed a more vague attitude to that issue. The twenty years of Czechoslovak administration had conjured here something that Soviet citizens considered a vision of the West, and therefore, whoever could rushed in. Army officers come to stay for retirement. They were joined by troops who had no place to go when they returned from Afghanistan, and by those Armenians whose connections enabled them to leave their devastated land. In simple terms, this colorful specimen of the great family of Soviet nations acts as if this were its home. Though those minorities are listed in statistics, the Ruthenians do not appear there. Even local Hungarian publications refer to them in the following fashion: "The Ukrainians (Ruthenians)...." Thus, it may be only estimated how many local citizens remained Ruthenians throughout the nearly 50 years of their "nonexistence," and how many are resigned to being Ukrainians. According to estimates, that ratio favors the Ruthenians about 70 percent to 30 percent. It really was a major occasion when last autumn the first issue of the monthly OTCHII DOM saw the light of the day. This official publication of the Society of Carpathian Ruthenians, which also is no more than a few months old, displays Dukhnovych's motto: "I was, I am, and I will be a Ruthenian" in its masthead, in the same spot where Soviet publications usually print an appeal to proletarians of all countries to unite. It does not matter that some of its articles are written in the Russian or Ukrainian language. It is important that some young authors can write in Ruthenian and that they already are publishing books and writing poetry in their own language. People who had been prevented to learn their language but who feel affiliation with the nation, are now diligently studying the Ruthenian

language. With a very generous help from American Ruthenians, they are trying to make up for many things in that respect, but above all, their priority must be the task: To prove that the Ruthenian nation is alive. It is paradoxical that while the minorities may conduct far more diverse cultural and educational activities, the native population must proclaim as loud as possible its only postulate: We are alive! This effort corresponds with the memorandum they sent last September to President Gorbachev and to the Supreme Court. It asks for nothing more and nothing less than that they be granted autonomy. They demand it on the basis of the presented documentation about their origin, and with reference to all international treaties of 1919-20.

The Ruthenians with whom I spoke in their country last year confided to me quite casually that now and then they get some indication from the other side that another Karabakh may occur here. The Rukh members with whom I also spoke just shrugged at my question about their relation to the Ruthenians. It was nothing more than "tsk!" That reminded me a bit of the atmosphere in 1938-39. The present situation, however, is interesting in that both the former and the latter are ogling Europe or a way to Central Europe. Could it be that not until then, and only there, the feelings of centuries-old injustices and lawlessness, be they real or not, might begin to fade? But in that case—what do you, Central Europe, have to say to it? Do you have any inkling about where your eastern and northern frontiers would be? Do you have any inkling about who would claim you from the Balkan regions? Do you have any idea about the problems you would have to deal with? And that, though those problems may seem petty and inconsequential, they in fact are far from being insignificant? It suffices to take a look at the countries of East Europe at present; it suffices to take a look at statistics and history of countries like Hungary, Romania, the Ukraine, Yugoslavia, and I am sorry to say, also Czechoslovakia, and even that tiny spot, Subcarpathian Ruthenia!

If the future should belong to the dream that is the hope of the nations in those countries, then it is imperative that someone teach the babes born today how to become citizens who will regard their nationality as a heritage

they must guard, cultivate and protect from any expressions of nationalism. It is imperative for us to realize that our "entry" in Central Europe means that we shall not be absorbed and accepted until we become Europeans intrinsically, in our thoughts and deeds. Such aspects will be more decisive than our economic standard and the skill of profitable wheeling-dealing.

Not until then. But where are those who will guide the new generation to all that and teach it to understand the past? Does anyone in the West or in the East care today about bringing up learned educators on all levels who will be able to think in a new way? Is there some mind capable of good organization and of figuring out where and how to organize joint discussions for authors of textbooks, teachers and historians? If the children who at this time have set their sight at Central Europe hear the past explained and the future defined from the positions marked by the most diverse aspects and vestiges of the past, people on our continent will distrustfully ask even hundred years from now who is who. Can we find today a few wise individuals who are able to disentangle themselves from the mob and its hectic race after unprecedented delights of a consumer society, and who could draw those magic circles in which the simplest truth about the great opportunity may be expressed in clear and comprehensible terms?

I implore all those who are planning seminars and symposia, who have available funds to enable the "council of the wise" to contemplate, cooperate and familiarize itself with countries and nations and reveal to them everything they do not know, everything that has been kept from them or distorted. I should like to ask that they consider this an investment, and at the same time, that they do not forget the tiny, plundered, devastated, downtrodden former Subcarpathian Ruthenia which is now extremely destitute and suffering. It is licking its deep, almost mortal wounds, and yet, it has marshalled enough strength to achieve something we may call a national rebirth. Let us come to its aid and let us not speculate whether "our former" territory should be "ours" again. That is nonsense. Let us come to its aid and offer it our interest, friendship and effort to follow the most precious relations of one human being to another, which neither here nor there have been forgotten.

SZDSZ Chief Assesses Government's Viability

Six-Party Talks Criticized

91CH0545A Budapest MAGYAR HIRLAP
in Hungarian 8 Apr 91 p 5

[Article by Janos Kis: "Can the Government Be Saved? (Part One): The Moncloa Pact Was Different Story"]

[Text] Understandably enough, society is disinclined to put up with political instability. It does not easily tolerate the interparty struggles that have become unfathomable. It has less and less faith in the ability of parliamentary parties and institutions of parliamentary democracy to tackle the crisis that plagues the country.

A movement that promises to reduce tension immediately and extricate the country from political deadlock as fast as possible can easily become popular in an atmosphere of anguish and disenchantment. Who would not like to hope that within a month the conciliatory six-party talks will end in agreement on almost every fateful issue that the government and parliament have failed to solve during the past year? Thus, it is understandable that the public has welcomed the FIDESZ [Association of Democratic Youth] proposal.

The public's confidence in the future is a good backdrop to the discussions. The public exerts moral pressure on the parties not to hinder a solution and not to waste an opportunity that presents itself for quiet and risk-free growth. In any case, this must be taken into account when the pros and cons of the FIDESZ proposal are weighed. However, that is not enough for a favorable outcome. There is a string of further conditions for success, and we must see to it that they are fulfilled. Potential failure is likewise fraught with risks if matters take their own course in the absence of talks. These dangers must be confronted. Indeed, it is necessary to clarify what we regard as success and when we should speak of defeat.

FIDESZ spokesmen often mention the Moncloa pact as a model worthy of imitation. What FIDESZ proposes, however, is far removed from the Moncloa pact. The only true similarity is that in both places the movement stemmed from an opposition party (in Spain, from the communists), and in both places the negotiating parties were called together by the prime minister. Here, the parallel ends.

In the Moncloa Palace, the Spanish parliamentary parties did not sit together at a roundtable with the prime minister at the head. The government came to terms with the opposition parties (and with the two major trade-union centers). This is not a matter of technical detail. In a parliamentary democracy, the parties do not sit at a roundtable. Some of the parties govern, and others form the opposition.

The governing parties are not separate from the government: together they form the political basis of the government. They are expected to take a united stand on every vital issue, and to represent it jointly. They cannot agree on this, disagree on that. Otherwise the government has no clear-cut parliamentary basis and is unable to function as a united body.

Under no circumstances may the opposition parties form a coalition, because sitting together on the opposition bench is not the same as governing together.

However, they must all agree to form the other side. They are the bloc with which the government (the governing coalition) must strike bargains.

At issue, of course, is not just the shape of the negotiating table. What it boils down to is that the government parties must shoulder the joint responsibility of governing. The opposition parties are not allowed to assume such responsibility. It is their job to be a parliamentary power that offers a practical and theoretical alternative to the government's policies.

And here we arrive at the other essential difference between the FIDESZ proposal and the Moncloa pact. Several observers have already remarked that the FIDESZ proposal to negotiate is a much broader field than what turned up on the table. Yet the commentators prefer to point out that an abundance of richness looms. Let us become aware that the problem is much deeper. If the FIDESZ proposal, like that of the Spanish Communists, is limited to economic questions, then it is an entirely different story.

The main point of the Moncloa pact is that the opposition parties (and the trade unions) agreed to limit wage increases in order to curb the inflationary spiral; in return, the government holds down expenditures and promises to support various social programs, primarily to make rising unemployment tolerable. On the other hand, the economic chapter of FIDESZ's proposal encompasses an entire government program, from the principles of economic legislation to current economic regulation and structural transformation.

If the FIDESZ proposal were workable, then the six parliamentary parties would agree on a three-party government platform. The opposition and the government parties would shoulder joint responsibility for the direction in which the government leads the country. The government's own responsibility would be confined to implementation, and it would no longer be the opposition's duty to confront the government and the country with a political alternative that espouses partially different values. Instead, it would monitor the way the government implements programs. As the FIDESZ declaration puts it: "It is the government's job to carry out decisions, and the opposition's job to monitor them." I cannot help asking, "and what would be the job of the government parties?"

Truly consistent realization of the FIDESZ proposal would be a national unity government that includes representatives of the six parliamentary parties. But why don't the young democrats propose just that? The answer seems obvious.

The government coalition would immediately dismiss the idea of a national unity government, and the public would not find the situation ripe for such. At the same time, the prime minister reacted with words of friendly support for the proposed six-party roundtable. We could thus say that FIDESZ chose the less clean, but possible, solution instead of the neater but unworkable solution.

However, I do not think that this is the way it is. The six-party roundtable, with the government as seventh but nonparty player, is more feasible than the six-party government only if the parties can be brought together. Imminent realization of the program submitted by FIDESZ is nowadays just as unlikely as formation of a national unity government, and for the same reason. If we think about it more, this becomes clear from the proposal itself and commentaries on it.

According to the FIDESZ declaration: "The aim of negotiations is to reach an agreement that embraces solutions which are concrete, linked to a timetable, if possible, and in any case verifiable." Yet Viktor Orban has already said something utterly different to a radio reporter: "It isn't necessary to draw up a definitive text here. Instead, an attempt must be made to reach as broad as possible a political consensus upon which these very important political or economic laws can subsequently be built. It may happen that we first agree on fundamental principles but afterwards vigorously debate matters of detail at the parliamentary plenum. The emergence of various viewpoints in the fundamental principles does not qualify as a violation of the agreement, in my opinion." (168 ORA, 2 April 1991.)

The prime minister expressed himself in a similar spirit. The six-party negotiations, he said, "make it possible to agree on basic principles concerning the main issues." (MAGYAR HIRLAP, 30 March 1991.) Even more clear-cut was the viewpoint expressed by managing vice chairman Balazs Horvath on behalf of the MDF [Hungarian Democratic Forum] national chairmanship: "The MDF is ready to engage in talks only if they result in a joint standpoint that does not impair the National Assembly's authority or interfere in the daily work of governing. It is thus the opinion of the national chairmanship that only general political issues can be the topics of six-party talks." (MAGYAR HIRLAP, 5 April 1991.)

This interpretation cannot be reconciled with the publicly advanced argument for the FIDESZ proposal. The need for an agreement is explained in both the statement of FIDESZ associations and the radio interview of Viktor Orban: the government's political basis is not sufficiently broad to adopt the compulsory economic measures that are inevitable. Social tensions will rise and

if the government does not receive greater support than it presently commands, then the result may be unmanageable political conflicts. The democratic order can only be rescued if the opposition agrees to support government measures that are unpopular but essential for stabilizing the economy and changing over to market relations.

But what would the opposition be obliged to endure or support? If there is agreement only on fundamental principles whose application might be "vigorously debated," then it is simply impossible to say. An agreement would arise like the one last year between the MDF and the Smallholder Party concerning the return of ground. Each party would feel that it alone correctly interprets and observes the pact while the others, in turn, violate it. To continue with the Moncloa example: Either establish what the maximum increase in wage level is and how to measure change in prices and wages, or it will be impossible to determine when the government, or one of its partners, violates the agreement.

The FIDESZ plan to save the country is incompatible with the idea that only fundamental principles should be discussed, but it is very compatible with the prime minister's standpoint. During the elections last year, Jozsef Antall stated, and later confirmed several times, that in Hungary there is no political crisis that makes it necessary for the government to expand its base. He now expresses himself in a similar vein. To his mind, it is not that the government would like to receive political support from the opposition, but merely that "it is customary in a parliamentary system for parties to adopt a united stand on issues that affect the entire country and thereby accelerate the task of enacting laws."

So what happens if the plan is implemented? According to FIDESZ's statement, a discussion will arise that saves the country from political collapse. According to Jozsef Antall, the troublesome task of enacting laws is accelerated, but according to both the maker and the number one advocate of the proposal it merely follows from general principles. Let us not circumvent the truth. It may be possible by clever acting to create the impression that the broad consensus necessary for austere rule has actually sprung to life. But in reality the competent parties had ruled this out even before the talks began. The government has detached itself from the type of talks originally proposed by FIDESZ, and FIDESZ, to judge by the statements of its leader, has abandoned the idea of trying to ram through the proposal in its original form.

An agreement which, as FIDESZ promised, furnishes the government with power sufficient to consistently push through inevitable but very harsh emergency measures that infringe upon some people's interests, such an agreement cannot emerge from these talks. The best we can expect from the discussions is the opportunity to continue to flounder.

SZDSZ, FIDESZ Debate

91CH0545B Budapest MAGYAR HIRLAP
in Hungarian 9 Apr 91 p 5

[Article by Janos Kis: "Can the Government Be Saved? (Part Two): The Association of Free Democrats, SZDSZ, and the Association of Democratic Youth, FIDESZ, Debate Tactics"]

[Text] The SZDSZ [Alliance of Free Democrats] assessment of the situation is identical to that of FIDESZ [Association of Democratic Youth] on the most essential point. We also proceed from the fact that the new Hungarian democracy is undergoing a profound crisis, contrary to what the prime minister claims. Society's support for parliamentary institutions is dubious, and ever new economic ordeals can reduce us to the breaking point. We agree with FIDESZ that a political base broader than the one the government now wields is necessary for economic stabilization and for switching over to a market economy.

The question is how such an adequately broad and sturdy base can be created. According to FIDESZ, by a binding agreement between the six parliamentary parties.

Let us now disregard the not unfounded misgivings that this antiparliamentarian proposal raises. Let us acknowledge that it would be possible to approach the setup of the genuine Moncloa talks, further separating the responsibilities of the opposition and the government parties. Let us acknowledge that the extraordinary situation may require as many concessions from parliamentary principles as must be made in this case. If parliamentary democracy can be saved at this price, then let us accept it.

But can it be saved at this price? Can the series of talks limited to generalities that the main partners promise engender the broad political base that FIDESZ deems essential for stable and consistent government? On the basis of signals received so far, we must answer a definite "no."

According to SZDSZ, such a base can only emerge if the government coalition undergoes a change and if a new government replaces the current one. It is true that stabilizing the situation will be an extraordinary problem for the next government. But the current political crisis is not just caused by the difficulties with which any government must cope. The government itself and the coalition that stands behind it are the reasons for the deepening crisis.

The government is internally divided, even on questions of economic policy, the area most germane to the overwhelming crisis. Present in the government is a representative of economic liberalization in the person of the minister of finance, and powerfully present are representatives of statist solutions, mainly the ministers involved in international economic relations. This contradiction

clearly crops up in the concessions and semisolutions of the much-praised Kupa program.

Internally divided is the coalition that forms the government's political base. We were able to learn from the long and ignoble delays surrounding compensation where the clash of interests between MDF [Hungarian Democratic Forum] and smallholders can plunge the government. It is naive to think that passage of the compensation law would cement the alliance between the two parties. Every time the government is forced to take an unpopular step, the smallholders always act as if their position is at the extreme pole of the opposition and not in the government, this is and will be expected by their members and their broader camp.

The combination of philosophies behind the MDF is unstable. The relationship between the Forum's antiliberal populists and national liberals is unclouded as long as everything goes well. Each side gives answers to the succeeding setbacks that the other side finds very hard to tolerate. To top it all off, relations are strained between each side and the prime minister's conservative directors. Finally, the Forum's locally elected representatives, who do not belong to one political school, are not prepared to be called to account by their constituents for unpopular government policies which they do not understand and with which they cannot identify.

The situation is further aggravated by the government's troubled relationship with its own machinery. On the one hand, it alienates the machinery's best technicians. Therefore, the government's level of professional service is much lower than that of the last communist governments. This is unequivocally evident in the poor quality and preparation of draft bills. On the other hand, because the government is politically weak, the interests of lobbies represented by the machinery are served well, maybe even better than the last communist government.

We therefore think that without a change of regime the situation cannot really be stabilized.

But is a change of regime possible by parliamentary means, without toppling the government? Because in that case parliamentary democracy would be toppled with it, something which no democrat wants.

FIDESZ has misgivings about this, and one of its top experts expressed his doubts in the columns of this very newspaper (Andras Kovacs, MAGYAR HIRLAP, 25,26,27 March 1991), discussing an article of mine, as it happens (NEPSZABADSAG, 9 March 1991).

Andras Kovacs offers three essential arguments against the possibility of a "peaceful transition" to a new government. First of all, no matter how divided the coalition, the desire for power remains intact. And if the opposition suggests the possibility of collapse, that just brings the warring parties together.

All of this is true, of course, but it can be said about any governing coalition. In fact, it is impossible to predict with certainty that the coalition will burst due to internal

conflicts and subsequent setbacks. We can only say with certainty what Kovacs himself admits that "cracks are starting to appear in the MDF and the government coalition. Perhaps political differentiation of some kind is beginning." Furthermore, the reasons for differentiation will still exist in the future. Maybe this is not much on which to lay the foundation for opposition strategy if change of regime is a serious alternative. However, we saw that the solution recommended by FIDESZ was not.

Kovacs's second argument is that if the Antall government really falls, there would be no way to create a new government. But this is not so. In the case of a government crisis, several possibilities would be taken into account. One is that the six parliamentary parties would be a national unity government. Andras Kovacs argues against this that it "suggests the picture of a one-party government." It is very important, he adds, "that the boundary between government and opposition not be blurred." Indeed. But how can whoever dismisses the notion of a national unity government propose a six-party pact about which FIDESZ speaks?

I do not include myself among the ardent supporters of a national unity government, but the idea should not be lightly dismissed. In an extraordinary situation, such a formula, or one close to it, could be accepted as a temporary solution if the national unity government assumed a well-defined task on which a clear deadline was imposed.

The situation is the same with a potential technocracy, the idea of which Kovacs also discards much too quickly. He points out that "in the current political situation, the scope of such a government would be as narrow as possible, not to mention the fact that it would be difficult to find a suitable number of truly independent experts who were acceptable to all the competent political powers." In my opinion, the question is whether there exists a suitable candidate for prime minister whose expertise and loyalty are acceptable to all the "competent parties." If there exists such a candidate, then there will be experts ready to join his government, and the candidate's character will assure that the experts are acceptable, too. Yet it is undeniable that such a candidate can be found.

The technocracy would have authority broader than that of potential coalition governments, and it would not have to think constantly about the next elections. In order to be able to function, of course, agreement on an economic program must be reached with the parliamentary powers and the more significant special-interest groups when the government is formed. The agreement must address the task of managing the current crisis and include a specific time frame, and when it expires, the government steps down and calls for new elections.

This does not rule out formation of a minority government and negotiation of an agreement with the opposition. The most obvious scenario would be withdrawal of the Smallholder Party from the coalition or cancellation

of the MDF's pact to rule with the smallholders. Under such circumstances, there would be a better basis for proposing an agreement than in the current situation, and the prospects would be much more favorable.

To this, of course, you could say that the smallholders' voluntary withdrawal is virtually unimaginable, and the prime minister obviously refuses to part company with them. Instead, he submits to their blackmail again and again. But perhaps he would adopt a different attitude toward their departure if there were someone with whom to replace them, still another possibility for change! Right now FIDESZ is in a position to simplify this difficult decision by the head of government. I do not believe the young democrats think that the government must by all means be preserved the way it is. And if it cannot be preserved the way it is, then it is worthwhile to ponder supporting the government, not by outside agreements, but by encouraging change and stepping into the smallholders' shoes. Unconvincing is Viktor Orban's claim that with its 22 parliamentary seats FIDESZ would not be a powerful enough partner to genuinely influence the government. Not only is the proportion of parliamentary seats important, but also the political neediness, and this magnifies the young democrats' say within the government. So much, merely in passing, for the possibility of a parliamentary solution to the government crisis.

The final argument of Andras Kovacs against the SZDSZ's political ideas is that dissolution of the current government coalition would be fraught with extraordinary danger and it would not be worthwhile to incur it. If the coalition breaks up, the extremist right-wing of the parliament that currently still forms part of it would come under scrutiny. And while unpopular economic measures would soon erode the new government's moral capital, the parliamentary opposition to this government would no longer be the current one. Regular incitement would follow in the National Assembly, and there is no assurance that the man in the street would not react.

In my opinion, these misgivings are exaggerated. There is no sign in Hungarian society of growing receptivity to manipulation by the ultraright. There is no sign of extremist personalities in the parliament who could fill the role of ultraright leader. If by chance a restless society seeks a leader, such a person will not emerge from the traditional ultraright but from the more modern version of social demagoguery.

On the other hand, we pay a high price for having extremist elements in the coalition. So far, the Antall government has not managed to unify and subordinate the coalition's diverse powers. The extremists are intractable, and if worse comes to worst, as in the case of the taxi blockade, amnesty debate, and compensation law, they may drag themselves down with the government. And even if they do not dominate the coalition, they muddle the coalition's policies. It is impossible to create a placid climate for foreign investments if, at the same time, leading politicians of the number one government

party inveigh against liberalism, foreign capital, and the United States. The banks cannot be expected to resist pressure to issue additional money if, at the same time, as salvagers of communist power and newfangled instruments for oppressing the people, leading politicians of the number-one government party attack and threaten the bankers. It is impossible to pacify the government's ruffled band of experts if, at the same time, the answer to every political difficulty is anticommunist instigation.

With the government's ultraright elements, a broad consensus cannot be reached on the "liberal minimum": the basic liberal principles on which every democratic party in the West agrees. However, without them an agreement by political forces similar to the liberal minimum could come into being. Thus, we again reach the point where a change of government and a rearrangement of the coalition are required for an authentic agreement.

On the basis of such considerations, the SZDSZ decided at the start of the year to go on record that a change of government is possible and necessary. We therefore stated that the opposition need not support the current government but instead offer an alternative to it and launch a debate on the transition so that the public is not taken unawares by a change of government.

"Can the Government Be Overthrown?" reads the title of Andras Kovacs's three-part article. The answer, of course, is obvious: All of the opposition parties together are in no position to overturn the government majority by parliamentary means. The SZDSZ, however, did not raise the question when its delegates gathered in February. We assumed there is a political crisis: the government itself is partly to blame for the crisis, and it is consequently possible for the government to fall. Our question is whether the government can be saved, i.e., is it the task of a liberal opposition party to help stabilize the government or to offer an alternative and show that the situation would not be unmanageable after breakup of the coalition.

However, the question now is not whether the SZDSZ would have made a negotiation proposal similar to the one submitted by FIDESZ. The proposal is on the table, and on the table are the responses of the competent government parties: let's talk, but only in generalities. Now the question is how the SZDSZ will react to the situation.

I believe that for all practical purposes free democrats can choose between two possibilities. The first is to plead the foregoing case and not attend the preliminary talks. This would be a logical step but would not take into account the country's prevalent political climate. If we refuse to participate from the outset, we thereby launch a spiral of charges and countercharges which may have a calamitous effect on a public that is otherwise growingly suspicious of politicians. It makes no practical difference which party emerges from this clash the worst for wear. The country will certainly come out a loser.

That is why I would prefer to choose the second path: go to the talks and thoroughly determine on which issues, at the level of general principles, it is worthwhile to seek a potentially successful agreement. An example of such an issue would be how the parties should express their views on the state's management of foreign debts or which principles Hungary should follow on the most important questions of foreign policy. In fact, these issues can be resolved intelligently at the level of fundamental principles and actually require an agreement between government and opposition. No doubt there are other issues of a similar nature. It may be useful to discuss such issues, under certain conditions.

However, if we take this path, then we must make it very clear that we are not concerned with the type of sweeping agreement, a new Moncloa pact, for which FIDESZ has campaigned. What's more, nothing is more important than the talks which others have proposed, mainly the MSZP [Hungarian Socialist Party]. It must be said that we do not want to give the wrong impression that what the coalition's three parties cannot solve themselves, the six parliamentary parties can. If they cannot, then the fault is to be sought in the relationship between government and opposition.

The public must be honestly informed of what takes place at the talks, because duplicity would direct the political processes in the wrong direction.

Gaspar Tamas on SZDSZ Foreign Relations

91CH0548B Budapest MAGYAR NARANCS
in Hungarian 4 Apr 91 p 2

[Interview with Gaspar Miklos Tamas, parliamentary representative of the Alliance of Free Democrats by Vagvolgyi; place and date not given: "Tamas Says It Is Foreign Affairs"]

[Text] [Vagvolgyi] How would you evaluate last year's Hungarian foreign policy?

[Tamas] The government coalition was rather boastful in stating during the honeymoon that followed the change of regime that Hungarian foreign policy was a successful area. Let us not forget, the Nemeth-Horn administration also said the same thing, and it was due not to its capabilities but to the lucky situation. The present government coalition was unable to maintain the benefits resulting from that lucky situation. Hungary's extraordinary attractiveness was due to the peaceful character of the change of regime. We have succeeded by now in spending our terrific capital stock. I do not have to enumerate to the [MAGYAR] NARANCS' readers the many mistakes the government has made in foreign affairs.

[Vagvolgyi] What kind of a performance is this in comparison with the region's foreign policies?

[Tamas] With regard to the abilities of foreign policy leaders, one was disappointed; it seemed that outstanding intellectuals such as Geza Jeszenszky would be qualified. Jeszenszky should have left. He has no talent in this profession. Tamas Katona has more imagination. One must consider in making comparisons that after the changeover the Czechoslovak and Polish Governments were made up of the heroes of the anti-Communist resistance, and they are considered in the West legendary personalities. When Jiri Dienstbier presents his business card somewhere, no one asks who this is.

The MDF [Hungarian Democratic Forum] leaders have no "resisting" legends.... If we disregard this, then Hungarian foreign policy is not much worse than that of our neighbors. Of course, the Czechs are traditionally adept. But such things are a function of evaluating domestic policy. Thus, it matters not how good a minister of foreign affairs Dienstbier is, it matters not how much of a "dissident" he has been, and it matters not how well-known he is throughout the world when the evaluation of Czechoslovakia is on the decline because of Slovak nationalism. No great mistakes were made in Czechoslovak foreign policy itself. I cannot say the same of Poland. (But mistakes do not count too much under Mazowiecki's or Walesa's leadership.) Let us talk about the Balkan countries' foreign policy. It is a widespread view in Hungary that Romanian diplomacy is ingenious and very successful in the West. I am happy to inform the readers of the *MAGYAR NARANC*s that they think the same of Hungarian diplomacy: of the traditional Hungarian shrewdness, diplomatic talent, unbelievably good personal connections, and fantastic charm with which Hungarians win foreigners, of the excellent language skills of Hungarians and so forth. Well, I must say that Hungarian foreign policy is rather inept and clumsy but, in looking at Romania's foreign policy, we can no doubt stand with pride, for it has been making one mistake after another even since Ceausescu's fall. Romania's minister of foreign affairs did not even succeed in making his ambassadors follow his policy. It is well-known that Paleologu, Romanian ambassador in Paris, called President Iliescu a swindler and communist dictator and, as official ambassador, called to topple the Romanian Government! He is right, of course, but this is a bit unusual for a diplomat. In comparison with these terrible situations, Hungarian foreign policy is not too bad. It is a very bad and untalented foreign policy but it is on par with a second-class East European average. One must not be a snob here, saying that it is better than that of Bulgaria, worse than that of the Czechs, and more or less adequate for our situation. But it must be said that it does not perform to its ability. The point here is not mere diplomacy. If Romanian television would show the video recording of my fellow representative and friend Peter Tolgyessy's speech during the debate on the compensation bill in which he referred to Romania in connection to an entirely innocent economic issue, the mere word "Romania" eliciting sarcastic laughter from dozens of government party representatives, if these pictures would be shown, they could never be explained

away. Neither the most outstanding diplomacy nor the 50 SZDSZ [Alliance of Free Democrats] and FIDESZ [Association of Democratic Youth] statements that were Romania-friendly and promoted East European pan-nationalism would be able to rectify this, for pictures remain, these pictures burn into one's retina just like they burned into mine. Thus, in a certain sense, I am sorry for Geza Jeszenszky for his lowly armies, for he has an extremely narrow field of action although I do not think that the present policy of the Ministry of Foreign Affairs is that much different from that of the MDF even though each side of Bem Square has a different style. I would summarize the mistakes of Hungarian foreign policy as follows: first, the lack of a sense of reality. A small nation, which has ethnic relations in the Carpathian Basin with which it is connected through serious symbolic and practical national interests, cannot allow itself to behave towards its neighbors as if they had no power to do this or that with Hungarians living there. The fact that Hungarians live in the neighboring countries must exhort every government, regardless of its colors, to be cautious, sensible, and rational. The other mistake is that our foreign policy is inconsistent. The extent of commitments towards the west changes from month to month, and this is dangerous. Somewhat improvised and illusory policies of alliance are created, and one can feel that counselors and experts sit at desks somewhere behind (below? above?) the Ministry of Foreign Affairs, that some people pinned little flags on maps printed before World War I and that the "experts" move these little flags, then this is transferred to a computer which in turn spits out programs that land on Jozsef Antall's desk. Scientific pseudoinstitutions and think-tanks are organized with the most biased people.

[Vagvolgyi] Are you referring to the Dunatáj [Danube Region] Institute?

[Tamas] No! God forbid!.... Those who want to force their ideology on the government and their delusions on Hungarian foreign policy.

[Vagvolgyi] Signs of disintegration are emerging in three neighboring countries that are federal states. Does this strengthen irredentism in Hungary?

[Tamas] A precise wording would be important here. The government solemnly stated several times that it does not wish to repossess any territory by force. Thus, the Hungarian Government is not irredentist. One does not have to be an irredentist in this region to engage in ungaurded politics. Miklos Szabo wrote about a desire that ethnically unified and territorially solid Hungary play a key role in the present chaos as some kind of a big regional power. But it is not certain that the disintegration of the federal states would be advantageous from Hungary's point of view. It is not certain that a loose confederation of Slavic states in place of the Soviet Union, as suggested by Solzhenitsyn, might be better for us than a chauvinistic Ukraine. It is certain that an independent Tisoist and Hlinkaist Slovakia would not be better for us than the Czechoslovak state lead by Havel.

Government policy apparently applauds this disintegration of the federal states. I think that we must keep quiet in this matter for no unequivocal preference, no unequivocal Hungarian interest exists.

[Vagvolgyi] Whenever you make this statement to foreign journalists, you and the SZDSZ representatives receive many criticisms from the government parties.

[Tamas] The point is the well-known paranoia. This frenzy elicited by our statements is not of recent origin. Even comrades Aczel and Knopp went into rage in the 1970's and 1980's whenever the opposition made a statement somewhere. One's criticism in the foreign press of the conditions in Hungary increases one's credibility, enabling one to criticize the conditions abroad as well. The tactic of putting down neighboring countries whenever a foreign journalist is met does not lead anywhere. The journalist would like to get information on the affairs of the country he is visiting. The viewpoints of a party with opposite interests, especially when offered in a heated manner, generally do not "sit well." When information on Hungary is wanted, they will not ask a Slovak National Party representative. Why do they attack? This can simply be explained by the lack of knowledge about the world, xenophobia, and an inferiority complex. I am truly sorry for those who have such feelings, for this state of mind can be very painful and bad, and I feel compassion toward these people but, after all, I cannot be a counselor or psychoanalyst of nationalists. It would be time to end the fear motivated by paranoid feelings of inferiority toward foreign countries, especially now that everyone constantly wants to fall into Europe's lap.

[Vagvolgyi] How do you view the hardline turn in the Soviet Union? What can its effect on Central Europe be?

[Tamas] I do not consider Gorbachev himself and his followers a significant factor, it is not he who actively moves things. The truth is that, aside from the various separatist or regionalist movements, there is no truly active center anywhere in the Soviet Union. The democratic parties, as we well know, are very weak and, in addition, the ideological shadow of the past 70 years unavoidably falls on them. Certain communist circles' connection with black-hundred [as published] and half-fascist circles is truly as frightening as the liberal western press says. They are supported by the cream of Russian literature, they attained intellectual respect in Moscow circles, the Pamyaty ceased to be a taboo for Russian intellectuals; this is an extremely important development. I would like to mention an analogy. An acquaintance of mine, who teaches at Kolozsvar University, visited recently and told me which classmates of mine, Romanian nationalities, have become members of the Vatra. For two days, I could not get over it. I noted two names. I was mistaken. It turned out that in Kolozsvar, just as in Marosvasarhely, Vatra leaders are definitely respected, educated and successful intellectuals. The chauvinistic consensus among Transylvanian Romanians is almost untouched, this is the way it was, too,

when I spent my youth in Kolozsvar. The instinctive repulsion against the familiar antihuman ideals is much slighter in these countries than in Hungary (the necessary taboo!), which I think is a necessary part of civilized man's equipment. It is not to be found either in Moscow or Bucharest or in Belgrade.

[Vagvolgyi] Is it to be found in Budapest?

[Tamas] To a much greater extent. People here defend themselves against the accusation that they are chauvinists, anti-Semites, fascists or any such things. But in Bucharest and Moscow they do not defend themselves but say that "yes, I am, so what?" This is a very serious difference. I respect hypocrisy, too, and I think it is to Hungary's advantage that even well-known fascists claim not to be fascists. This is a very good thing. They fear public opinion enough to think that to say it openly is not good business. When one reads the extreme Romanian or Russian press, it is apparent that these taboos simply do not work, one can unhesitatingly refer to "The Protocol of Zion's Wise Men" or to the freemasonic conspiracy. There are such people in Budapest, too, but they represent the "lunatic fringe." For the time being...we have a few outstanding national attributes. For instance, we are awful soldiers. In both world wars, Hungarian armies wisely concentrated their activities on limiting losses. Hungarians always laughed at the heel-clacking soldiers of Gombos and Szalasy while Marshals Pilsudski and Antonescu, who still have a cult in their countries, were never laughed at by their compatriots. Present Hungarian soldiers and policemen are doddering civilians. Hungary has not had a charismatic leader since Kossuth, and today's leader-designates are clowns. Hungarian voters cast their votes on the most [illegible word] party leader in April of last year, and they were correct in that the democratic instinct levels off. A boring kindergarten teacher is better than an energetic orator, because he is unlikely to embark on an adventure. Hungarian voters are very smart and refined indeed.

[Vagvolgyi] We began with foreign policy, let us finish with foreign policy. What aspect of it are you interested in at present?

[Tamas] I recommend to every reader to think about this topic: why Poland's debts are written off and why ours are not.

[Vagvolgyi] Well, this is rather evident, for Hungary is indebted to private banks while Poland's debts are state debts which are easier to write off.

[Tamas] Yes, but if there should be other reasons, we should think about them.

Workers' Interests Said To Lack Representation

91CH0569A Budapest HETI VI LAGGAZDASAG
in Hungarian 13 Apr 91 pp 30-31

[Interview with Imre Palkovics, president of the National Federation of Workers' Councils, by Ibolya

Jakus; place and date not given: "'Within the Factory Gates There Is Still No Democracy'"]

[Text] What they have been trying so hard to scare us with over the past few years has finally happened: Unemployment has reached the 100,000 level and is continuing to grow, while the average wage is barely enough to maintain a basic standard of living. So why do masses of employees continue to pay membership dues to the old trade unions, and why is it that the activities of the new organizations have gone practically unnoticed? These were the questions we put to Imre Palkovics (age 37), president of the National Federation of Workers' Councils, which only in name resembles the workers' councils of 1956.

[Jakus] One would expect that the looming threat to the day-to-day existence of a growing number of people would give new impetus to efforts aimed at protecting employee interests. Still somehow it seems that our healthy reflexes of self-preservation are not functioning as they should. Undoubtedly, the traditional trade unions must have lost their credibility among employees even before the onset of political change, yet workers have failed to secure alternate representation, and the new organizations appear to be gaining ground even more slowly than our sluggishly evolving Hungarian capitalism. How do you explain this indifference?

[Palkovics] Intimidated would be a much more appropriate word than indifferent to describe the working public. Although Hungary has laws which, among other things, make it possible to form organizations that represent worker interests, everywhere we look we can see evidence of blatant violations of the workers' right to organize. Most recently, for example, we have received a report from one of the plants of the Bakony Works that when a group of employees proposed to form a workers' council, the management of the enterprise openly declared: those who do not stay in the old trade union will be fired. Although theoretically this kind of intimidation could even be punishable by imprisonment, the government is unable, as it is in other areas, to enforce the law.

[Jakus] Obviously because it does not consider it to be a part of its duties to offer organized protection for employees, and because it believes that layoffs are a logical concomitant of structural change and transformation. Or do you see it differently?

[Palkovics] In many cases obviously it is rather difficult to prove that an action was motivated not by economic necessity but by abuses of authority that amount to political sanctions. So paradoxically it is the fear of unemployment that inhibits employees the most strongly from taking action. On the other hand, in most cases the employer is still the state, which has its own functionaries in positions of management. It is a well known fact that the old trade union leadership worked in close collusion with the enterprise management, and that most enterprises still consider it to be in their interest to

maintain a harmonious and accommodating working relationship. Hence, wherever there is a new effort to organize, they join forces to try to quell it. And finally, I believe that the new political parties and parliament are all guilty of neglecting the issue of interest representation, although perhaps it is becoming more and more clear to them that they cannot sidestep the issue for long. I consider it an encouraging sign that FIDESZ's [Federation of Young Democrats] recent proposal to hold a six-party conference also called for the inclusion of organizations representing workers' interests.

[Jakus] It is true that political parties in Hungary do not court organizations representing workers' interest with the kind of consistency people have come to expect in the West; in fact, just the opposite appears to be the case. What is more, just as SZOT [National Council of Trade Unions] was considered by the public to have been a transmission belt for conveying the will of the state party, so is the League looked upon now as a lackey of the SZDSZ [Alliance of Free Democrats], and the workers' councils as annexes of the MDF [Hungarian Democratic Forum]....

[Palkovics] I see nothing wrong with trade unions maintaining a certain political orientation, as this is the way unions operate everywhere in the world. Generally, the relationship between a party and a trade union evolves in accordance with the changing position of the party. When the party is in power, the relationship tends to deteriorate, when it is in opposition, the relationship improves. It is indeed true that it was the MDF to call for the reestablishment of the workers' councils and the introduction of employee shareholder programs to be sponsored by those councils. It is highly regrettable, and as a parliamentary deputy of the MDF, I have to exercise some self-criticism here, that so far very little of this has actually been accomplished. Besides, the workers' councils today are by no means as closely allied with the MDF as they were initially, and to put it mildly, the membership has expressed reservations about the activities of the MDF and the government. If for no other reason, because it is unable to make a real distinction between those two entities. I personally would still insist that the National Federation of Workers' Councils is not the MDF's right hand. A far more serious problem than the political collusion you have spoken of with reproach, is the continued lack of viable means to ensure that both legally and financially, the new and old trade union organizations have the same opportunities open to them. I have already spoken about the legal problems; the cause of financial disparity is the failure to this day to redistribute SZOT's [National Council of Trade Unions] former assets.

[Jakus] Do you think perhaps that if you started handing out vacation trips and benefits people would be flocking to join your organization?

[Palkovics] I do not believe that these are the needs foremost on the minds of most working people when

they think of interest representation. The problem, however, is that we have no money for these or any other purposes. We are unable to establish ourselves as an institution, we cannot employ the services of experts... Hence we must not relent in forcing the redistribution of SZOT's assets, even though I am afraid this will lead to several major conflicts. Although the president of the National Federation of Hungarian Trade Unions, Sandor Nagy, has already gone on record to denounce any future decisions by parliament on this issue as unconstitutional, the 98-percent union membership rate of the past suggests involuntary participation, hence, we believe that the assets accumulated from membership dues during that period belong not to SZOT's successor, but to the working public as a whole.

[Jakus] If, let us say, the kind of equal opportunity you are calling for became a reality, how would the various trade unions differ, or to be more specific, what, besides political affiliation, would distinguish the workers' councils from the other unions? For many people it is probably not even clear whether the workers' councils are actually trade unions, or organizations whose aim, as in 1956, is to assume proprietary control over the enterprises....

[Palkovics] It is true that so far everybody has had his own interpretation of what the workers' councils are all about. Presently, however, three elements constitute the foundation of the practical content of our work. The most fundamental of the three is our trade union representative function, although we also do not intend to relent in our efforts to help workers acquire property of their own. Our vision of this process is very different, however, from the one advocated by Sandor Racz, who in his recent speeches has been calling on workers to occupy the factories. Instead of reviving the ill-fated collective ownership concept of the past, our aim is to enable working individuals to obtain property on the open market, in the form of shares. Our third basic aim is to institutionalize the workers' right to have a say in various aspects of enterprise management. We feel that a factory council system would be the best suited for this purpose. However, I must stress that these are only goals. Once the statutory regulation formalizing the factory councils and the employee shareholder program is finally in place, both are on the threshold of becoming realized, the workers' councils will be able to relinquish a number of these functions, and become a purely trade-union like entity.

[Jakus] Those affected may already have some idea at least as to what the employee share system will entail. But what role would you have the factory councils play?

[Palkovics] The factory council would be a representative body, elected by the employees, which in effect would participate in running the enterprise. By definition then, the factory council would not function as a trade union, since by their very nature trade unions play the opposite role. As long as the above described disparities and intimidation exist we do not wish to become

involved in factory council elections. For there is a danger that as long as the workers are afraid to openly express the way they feel, the result will be the same as in the reelection of the enterprise councils. Everything will remain unchanged. I would add, incidentally, that we are similarly dissatisfied with the proposed draft of the employee shareholder program. If adopted by the parliament in its presently proposed form, of the 1,000 state enterprises it could be applied to only about two, which would amount to an enormous deception of the working public.

[Jakus] I am afraid that while you are debating these kinds of issues, the situation of the classical concept of trade union representation also remains filled with contradictions. For there are few decisions, judging from its declarations at least, that this pro-business government can make that would not in some way be detrimental to the interests of employees. Anyone who following the present course also purports to represent the interests of the working public can easily be accused of social demagoguery. How would you respond to such a charge?

[Palkovics] I agree that it is very difficult today to say anything without the risk of being branded a demagogue, even if one is convinced that everything he is saying is true: wages are impossible to live on, and the threat of unemployment continues to loom. At the same time I also believe that what really hurts people is the knowledge that they are still vulnerable to abuse, and that they are basically still without rights. Within the factory gates there is still no democracy.

Development of Middle Class Seen Endangered

91CH0555A Budapest HETI VILAGGAZDASAG
in Hungarian 6 Apr 91 pp 77-78

[Article by Erzsebet Gidai: "The Development of the Middle Class in Hungary: the Central Class"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] The creation of the middle class, a rather large and prosperous one, is a need that we here about often nowadays. The parties, the government, the sociologists, one could say just about everyone, are in agreement on this. But the writer of the present article, a research director, thinks that the crisis and the government measures contribute not to the development of a middle class but to impoverishment.

In the wake of the change of political system, endeavors to develop a strong middle class that has a stable income and is a good taxpayer are becoming more and more pronounced in the East European states. Of course, the need for creating a strong middle class is not a new idea. Already in the last century, the development of a middle class became a dream, for this class could not only become the pulling force for the talented poor class but would also be advantageous to the upper class where part of the middle class would like to end up. The existential security of the large middle class in today's developed states is provided by the poor class; in other words, in

order for the middle class to exist, a rather large class of poor is needed. The latter is unable to carry the burden put on them by the state, therefore, the state must give increased support to the middle class to use its tax money not only for helping the poor but also for budget revenue.

Actually, who belongs to the middle class? It is not easy to define this concept which is interpreted in various ways, including numerous explanations and misinterpretations. Middle class is not a mere differentiation from the other social strata on the basis of some characteristics, but it also means a certain lifestyle. Various ideas exist; there are those who identify the middle class on the basis of ownership status, and others differentiate on the basis of profession, the level of education and culture, or the place and prestige in society.

Perhaps most people, especially in the analyses published in the onetime socialist countries of East Europe, define the various social strata on the basis of income, for income is the primary determinant in developing a lifestyle, in achieving prestige, and in developing ownership status.

It is difficult to learn middle class lifestyle in school; rather, one brings that from the family and his individuality, and then develops it accordingly. A lifestyle that is built on existential security and includes a need for culture and learning also means loyalty to the given political and power system.

The middle class is generally a good taxpayer, its members readily put their money aside for investments and large expenditures, in other words, they have an inclination for saving and investment, are more reluctant to align themselves with extreme political lines, help their children in climbing higher on the social ladder, possibly reaching the wealthier high class. If they do not have the resources for this lifestyle, middle class people will do everything they can to supplement their incomes through moonlighting, extra incomes or finding jobs abroad.

During the 1960's, the development of a middle class began in Hungary, which was different from the earlier period's bipolar system of "proletarian vs. party leader" and the connected false ideology of egalitarianism. The middle class, the class of those who had an above-average affluence or wanted more and were able to attain more, began to emerge between the two extremes of the poor and rich ("elite") strata. The basis for this was the possibility of attaining better living conditions, the opening of the borders, the possibility of travel, and a significant decrease in uniformity.

The second economy and the "invisible" incomes of the 1980's opened up new resources for the middle class. Through 16-hour workdays, this economy produced at that time one-third of the national revenues, and this made it possible to use one's own resources to acquire

new and modern consumer goods and to alleviate the problems of finding a home.

This was the middle class the governments of the 1980's counted on, and this is the one the present government is counting on as well. But the economy is in great crisis, and a world is developing that is practically ungovernable, offering to its citizens not a middle-class lifestyle but primarily a perspective of impoverishment, inflation, and increasing unemployment. The deformation of economic processes and run-away inflation speeded up the process of impoverishment: the poor are becoming poorer, and the middle class is becoming impoverished.

For example, inflation will be over 50 percent in 1991, the burdens of taxes and home payments will increase to an unrealistic extent, uncertainty will increase, real wages will decrease, the social conditions will worsen to the extent determined by the government, and unemployment will rise. The latter may reach 8-10 percent of the population by the end of 1991, i.e., the number of unemployed may reach 400,000-500,000. Siphoning capital out of the country has reached intolerable levels, and this is even expected to further increase in the coming years because of external and internal indebtedness. These debts will cost the country \$3.9 billion in 1991, and \$4.7 billion in 1994.

It will become impossible in this disarranged economy to plan for the future, not only for companies but also for the population which will be unable to create a permanent existence. For this reason, the population is employing defensive tactics and is making preparations for survival and for averting dangers.

Its chances are made even worse by the danger of unemployment. A significant part of the middle class is helping itself by either trying to find supplementary income or engaging in ventures, which often necessitates a change of career, or leaving the country and trying to find a better life abroad.

One of the main goals of the government program is to narrow the domestic market and to decrease buying power through lowering the living standard. This will also destroy the entrepreneurs who live under better living conditions, for they cannot sell because the middle class, which at other times represented the secure customer, will not make purchases, or at least not to the extent expected.

The differences between income categories will also be affected by the differences due to regional characteristics; for instance, the country's eastern counties are much poorer than the western ones.

The lifestyle of Hungary's middle classes include a predilection for wastefulness which is stronger than that of the middle classes of other countries; for instance, the German middle class is characteristically thrifty.

True, the problem is actually not that we spend too much but that we make too little money. The Trade Union

Economic Research Institute's 1990 survey of 6,000 households regarding livelihood shows that the regression of the middle class accelerated between 1989 and 1991. This was manifest primarily in its negative trend of consumption, e.g., because of the price increases, general expenses, and expenses for food constituted an unrealistically high ratio in the total household expenses. On the other hand, much less money was spent on culture, clothing, and durable consumer goods, and in about 40 percent of the households where there were some savings, these were beginning to be used from 1990 for everyday expenses.

The decrease of the numerical ratio of the middle class in society is dangerous because this social group is the supporting pillar of the economy in every civil democracy. With a large number of affluent middle-class people, the state can create the conditions representing social security for those who have been pushed to society's lower classes without putting such tax burdens on the highest class as to make it lose interest in enterprise. The existence of a middle class in a country is in the interest of the middle classes themselves, the wealthy, the poor, and the government. In the absence of it, society, and the economy, will become poor.

Liberal-Democratic Congress: Poland in Europe

91EP0514A Warsaw KONFRONTACJE in Polish
No 5(40), May 91 pp 10-11

[Interview with Donald Tusk, acting chairman of the Liberal-Democratic Congress, by Andrzej Witold Halicki; place and date not given: "Poland's Role in Europe"]

[Text] [Halicki] The Congress as a ruling party....

[Tusk] Wait a minute! The Congress is represented in the government by the prime minister and a few ministers, but it is not the ruling party. Jan Krzysztof Bielecki did not create the government from the point of view of party representation, but took mainly the criterium of competence into account. The fact that so many liberals are in the offices on Ujazdowskie Avenue results from their utilization possibilities and not from political power. This power we are trying to build right now. It is important to differentiate between the government's program and that of KLD [Liberal-Democratic Congress]. We are glad these two often converge.

[Halicki] Liberals have gained appreciation as economists. Your regional, constitutional, self-government, and social concepts are interesting although controversial, but your concepts regarding foreign policy, national security problems or the wider issue of Poland's role in Europe, are not well known.

[Tusk] It is true. The Congress had not worked out a thorough political-social program by the time Jan Krzysztof Bielecki took office, a situation similar to that of other political parties. Fortunately, it happened that the liberal Bielecki inherited ministers Skubiszewski and Kolodziejczyk from his predecessors, as I understand, according to the wishes of President Walesa. In managing the Polish economy, the liberals got a little time to prepare themselves to deal with foreign issues and to prepare their own program. We are working on it, although it cannot be expected we will come up with terribly original ideas, since originality is not our goal. Our concept of Poland's role in Europe is not far from the generally accepted one, namely: full sovereignty without unwanted foreign troops, possibly complete integration with Europe, reason and caution in relations with the USSR, with an obvious sympathy toward the freedom seeking republics, the working out of a security system for Poland as a part of Europe. I believe that liberals are committed to a responsible and realistic approach in these matters, therefore they should be able to separate intentions and wishful thinking from real possibilities. I refer here mainly to our Eastern policy. Economic dependence, which did not disappear with gaining freedom, has to be clearly appraised. It is also necessary to see clearly the disproportions in military potentials and to be able to recognize intentions of our neighbours. On the other hand, Poles must not allow anything to slow down the process of getting out of

unhealthy dependence. This means utmost concentration and determination together with awareness of our possibilities.

[Halicki] From our point of view Europe begins already on the other side of the Oder. We are afraid of destabilization which threatens us from the East, but at the same time we fear the economic power of our western neighbor....

[Tusk] In Poland, one still has to have quite a lot of courage to say that Poland's road to Europe goes through Germany. It is true we border with the former East Germany where anti-Polish attitudes have visibly revived, but we have to understand that a Poland which is in conflict with Germany, full of distrust, however legitimate it may be, will not join Europe. So, either we choose close relations with Europe, which means close relations with Germany, or we will remain in a dangerous vacuum. I believe that only dynamic economic changes in Poland will allow our civilizational complexes vis a vis the Germans to diminish.

[Halicki] Their overwhelming economic advantage is forcing us to seek vigorously a system of security guarantees. Who will guarantee it when we leave the Warsaw Pact?

[Tusk] I would lie if I said that the Congress has worked out a clear concept of guarantees for our borders. We believe that such a system should bind all the free countries of Europe and be closely tied with the U.S. I doubt, however, if under the present circumstances such a pact would be possible. I do not believe, nevertheless, in a neutral Poland; we cannot afford this.

[Halicki] What is the main threat to the process of Poland's return to Europe?

[Tusk] Liberals are concentrating on internal barriers, because, paradoxically, we [Poles] ourselves are the greatest threat to this process. For many months now, we have been repeating the magic spell: "Europe, Europe," but in fact there are still very few forces really interested in making Poland European. The longest distance on the way to the West is within our borders. Basically, we ourselves have to create this Europe in Poland. The main stages of our journey are: capitalism in the full meaning of the word, democratization, consolidation of the system of freedom, civility, and a different, decentralized, state structure. These are much more important than declarations of intent or solemn signing of agreements. If we still have strong opposition to a free market, if the idea of regionalization is interpreted as an attempt against our statehood and our unity, if efforts to bring foreign capital to Poland are treated as the selling out of our national wealth (God forbid if it were to go to the Germans), we have to reconsider who is really for Europe and how he defines it. Many Poles would like to see NATO troops in Poland as a guarantor of sovereignty, but they do not understand that the West will not consider guaranteeing Polish security unless it means guaranteeing the security of its own interests, of its own

capital, in Poland. From this point of view, not all of the main forces are for Poland's return to Europe. I do not know if the church sees any threats to its position in this process. It is only one example. In conclusion, we have to cross the Rubicon, but it is within us, in our mentality, partly in our tradition, partly in our ways of living, and also in our economy.

[Halicki] Isn't this occidentalism a form of giving up our national identity, Poland's surrender under the pressure of Western economic power?

[Tusk] Let us stop dreaming about Poland's power and national mission. We are a medium-sized nation, living in a ruined state, and our main task is to build the basis for an economic existence of 40 million Poles. Freedom, enterprise, imagination, work, capital—these should become our national attributes. Employing the word "Polishness" in all possible contexts, will not give people happiness. In the liberals' understanding of the national goals it is the Polish people's happiness or trying to reach it that is such a goal, and not national or state power.

[Halicki] This is an original concept of foreign policy after all!

[Tusk] I would describe it slightly differently. The Liberal-Democratic Congress, since it aspires to be one of the major political parties, has to prepare personnel capable of undertaking tangible and political responsibilities in matters under discussion. This is obvious, not original. What is specific to liberals only is the conviction that liberalism should be the essence, the pillar, in projecting Poland's role in Europe. Poland must be liberal, because such is Europe, no matter what are the ruling parties in particular countries. Only the free will join the circle of free societies. It is not a matter of economic compatibility. We can also speak of a certain liberal tradition in international politics. Ludwig von Mises wrote of the need to create the United States of Europe already in 1927, pointing out that nationalistic doctrines which always aim at destroying neighbors will unavoidably destroy everybody. Mises was convinced that we will live to see liberalism in Europe to the extent that border problems will disappear and, in consequence, we will have permanent peace. The essential condition for success in this process is exactly the liberal character of the integrating countries. The most important problem of foreign policy, from the liberals' point of view, is securing permanent peace. Peace, integration, and security will be possible in a community of countries in which state power is limited to the extent possible. Freedom of trade, movement, and flow of information are also possible only if principles of liberalism are accepted by all the international partners.

[Halicki] Isn't this a very doctrinaire point of view?

[Tusk] No, because these are not empty words and slogans, but actual principles and possibilities of action. It is not doctrinairism on my part if I say that Poland may return to Europe only if it is founded on the

principles of freedom in economy, politics, and social policy. These are the principles of liberalism.

Decentralization of Privatization Apparatus Needed

91EP0519B Warsaw GAZETA BANKOWA in Polish
No 18, 5-11 May 91 p 9

[Interview with Janusz Lewandowski, minister for ownership transformations, by Milosz Weglewski; place and date not given: "In Search of a Method"]

[Text] [Weglewski] Mr. Minister, it would be hard not to notice that the commercialization of state enterprises, conducted under social pressure and limited only by the "processing capacity" of the Ministry of Ownership Transformations, is ceasing to accomplish its basic purpose and becoming a lifebelt thrown to companies which are in financial trouble.

[Lewandowski] it is a fact that, properly speaking, unconditional and rather chaotically implemented commercialization has become in many cases a refuge for weak enterprises which do not at all desire autonomy and are anxious to hurl themselves into the saving embraces of the government.

Commercialization makes sense only when it precedes privatization, when it initiates recovery processes by making it easier for companies to restructure themselves and gradually improve their effectiveness. Such was the reasoning of the framers of the privatization law and, following a period of its fairly chaotic execution, we are returning to that concept. We permit a state enterprise to become a Treasury-owned joint-stock company only when so warranted by its good financial and market status, when it is capable of meeting its current liabilities, and additionally when this facilitates finding a foreign partner. In practice, this means that the pace and scope of commercialization will be controlled and restricted, being subordinated to its economic expediency.

[Weglewski] Nevertheless, your ministry even now acts as the owner—on behalf of the State Treasury—of hundreds of commercialized and for the most part inefficient enterprises. Has a strategy for administering the share owned by the state in these companies been developed?

[Lewandowski] I must admit that at present the Ministry of Ownership Transformations is swamped with the problems of supervising bankrupt enterprises in its capacity as the owner on behalf of the State Treasury; this absorbs time which should have been devoted to privatization itself. Unfortunately, this important problem was ignored in 1990, so that now we have to overcome the lag. A major issue is the proper selection and intensive training of candidates for [state-appointed] supervising councils and boards of governors of these joint-stock companies. They must include experts capable of diagnosing enterprise performance

and working out programs for rapid improvements in the situation as well as long-range development strategies. This is no easy matter, of course, but it is difficult to set up in any other way sound internal structures in these companies, so as to make them capable of self-restructuring. The programs thus developed will be coordinated in some way with the government's options as to the development of discrete sectors and subsectors of our economy, also with respect to the share of foreign capital in their restructuring.

Besides, I would not confine the question of administering state-held shares in joint-stock companies to commercialized enterprises alone, as this also concerns companies or even subsectors which probably will not be privatized. After all, it has to be assumed that we are not going to privatize the entire economy. A convenient form of such administration is the establishment of holding companies. These are most urgently needed in coal mining, but also wherever else methods of more effective administration rather than of privatization have to be explored. When speaking of optimal organizational and financial solutions, we should bear in mind the need to institutionalize the State Treasury. Otherwise an effective execution of the state's duties as a proprietor would be inconceivable.

[Weglewski] Your proposed philosophy of privatization stresses reliance on methods intended to revive the economy. But the choice of such "paths" of privatization as a remedy against recession seems to be extremely limited.

[Lewandowski] The prescription for a privatization that would revive the economy is seemingly very simple: transfer the assets to energetic entrepreneurs and strengthen enterprise capital. But in Polish conditions both requirements are extremely difficult to meet. This is not just a question of the rule that, inasmuch as the seller is the state, the income from the sales should go to the coffers of the state. After all, in Hungary 20 percent of the income from privatization is earmarked for the enterprises themselves. But we lack even that room for maneuver, since we have been assigned the gigantic task of collecting and transferring to the State Budget 15 trillion zlotys from sales of state companies this year. At the same time, we are facing strong pressure by workforces to make them to some extent also the owners, along with their hostility toward enterprising outside purchasers. Both these factors have to be taken into consideration when exploring the optimal approaches to privatization.

The most promising in this respect is the so-called liquidation approach, on condition, however, that the assets of the liquidated state enterprises would end up in the hands of well-off and enterprising individuals. For the time being, though, privatized assets end up chiefly in the hands of enterprise workforces. They buy stock in their enterprises on a modest individual scale, with a thought to wages and payment of liabilities rather than to investing or market competition. Private enterprise in

Poland thus remains aloof from privatization [of state enterprises], for the time being. But I believe that this situation will change, that privatization will become a powerful stimulus for private enterprise in Poland, and that improvements in the so-called liquidation approach will proceed in that direction.

[Weglewski] For the time being we are still yearning for foreign investors.

[Lewandowski] This is not just a question of waiting. By means of a wide array of approaches—public offerings, capital vouchers, or worker leasings [as published]—substantial investors interested in active proprietary supervision rather than in passive ownership of shares, should also be intensively sought. And it is a fact that at present they are easier to find abroad than in this country. Poland's attractiveness in this respect is clearly growing: ours are the most advanced reforms [among the East European countries]; we have announced more favorable legal and financial conditions for foreign investors, and for some time now we have been demonstrating our decisionmaking abilities. This is exemplified by the sale of 80 percent of stock in Fampa and the contract for a 51-percent ownership of Polam-Pila. Other similar contracts are being negotiated. I thus believe that the psychological barrier around Poland as a location for capital investments has been surmounted. Moreover, the reduction of our foreign indebtedness is additionally operating to our advantage.

[Weglewski] The impression arises that recruitment of capital by means of public offerings of shares, is ranked low in the hierarchy of your privatization preferences. Will not this hobble the growth of our embryonic capital market?

[Lewandowski] Public offerings are a difficult, laborious, and relatively unproductive method of privatization, in a situation in which we have to reckon on an 80-percent share of the public sector in the economy, they cannot be a priority to us. But since they are indispensable to stimulating the capital market, public offerings will, clearly, be continued. For May we announced the sale by this method of a furniture factory in Swaredz and of the Wolczanka Plant in Lodz. We learn from previous offerings and correct our mistakes, and we adhere to the course of developing the securities market and the stock exchange system. But I do not believe that stimulating that market is to consist solely in sales of state-owned companies. I cherish the hope that some private enterprises shall, in consonance with basic norms, issue their own stock in order to obtain growth capital. That will surely be the year of a radical turning point for the capital and financial markets in Poland.

[Weglewski] You also predicted a turnabout in administering privatization.

[Lewandowski] Above all, privatization has to be decentralized, because the main office in Warsaw cannot keep up with the pace of ownership transformations and cannot cope with our tasks for this year. The first step in

streamlining our machinery will be the establishment of 12 regional offices of the Ministry of Ownership Transformations. I have appointed acting heads of these offices so as to speed up their establishment, but subsequently their regular heads will be appointed on a competitive basis. At first the regional offices should facilitate access to information and relieve the main office in Warsaw in attending to the formalities needed to prepare privatization. Once these offices consolidate their operations, we expect to endow them with decision-making powers as regards privatization. We also want to set up sections for organizing ownership transformations at the ministries of industry, agriculture, transportation, and foreign trade, so that they would service "on-site" privatization on behalf of parent agencies. That is because we have slowly begun to turn into a "ministry of the national economy."

Lastly, we desire to gradually "privatize privatization" by searching out reputable consulting firms and investment banks and making them responsible for drafting privatization rules and methods for entire subsectors of the economy.

[Weglewski] Whenever streamlining the privatizing process is considered, the question of the growing surge of claims by former owners is hard to ignore. You are a supporter of a limited reprivatization of this kind, in the sense that you tend to favor payment of compensation for lost property rather than its physical restitution. Should a reprivatization decision conflicting with your vision of ownership transformations be taken, would you be willing to implement that decision?

[Lewandowski] The variant of limited reprivatization is the sole feasible and financially realistic way of meeting the claims of former owners and their heirs. The government would like to take rapid and energetic measures in this respect, but that requires appropriate legislation, which hinges on the parliament. This problem would have been much easier to resolve a year ago, whereas now many illusory expectations have accumulated, expectations that no government could satisfy. Clearly, I would not implement a concept conflicting with my convictions, but the principle of complete reprivatization is anyway so utterly unrealistic as to be out of question.

Council for Ownership Transformations Formed

91EP0493B Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 27-28 Apr 91 p 1

[Article by J.T.: "Advice on How To Privatize"]

[Text] The third attempt to form a Council for Ownership Transformations in the Council of Ministers has finally succeeded. A Sejm commission had reservations as to two compositions of a council proposed in the fall of last year by Prime Minister Tadeusz Mazowiecki. The council, in compliance with the law on the office of the minister of ownership transformations, is an advisory body whose main task will be to give an opinion on the

courses of privatization attached to the budget law and to intervene in matters of dispute.

On 26 April, Prime Minister Jan Krzysztof Bielecki nominated the nine members of the council. Marek Dabrowski became president of the advisory body and Barbara Blaszczyk became the vice president. Others nominated were Tomasz Kwiecinski, Julian Pankow, Jozef Pyrgies, Piotr Soyka, Jan Szomburg, Tomasz Wardynski, and Andrzej Wieczorek. The prime minister's privatization experts are relatively young people—the oldest is 44 and the youngest 36. There are five economists and two lawyers on the council. The first inaugural meeting of the Council of Ownership Transformations was held behind closed doors. Here is what the prime minister said after emerging from the meeting room: "This is a very important body due to the importance of these problems for the success of Polish reforms and the building of a market economy. We are far behind in this field and there are many problems in connection with the slow pace of structural and ownership transformations in our country.

"The chairman of the council and I have agreed, added the prime minister, that in addition to general matters, two areas of action will be important. The first relates to the opinions of the council regarding the basic decisions made by the Ministry of Ownership Transformations or by the government. Because the council functions in conjunction with the prime minister, it will reply to the fundamental questions I put to it."

The prime minister called attention to the fact that the council is a very pluralistic body. Its members present different views on structural and ownership transformations and also belong to various political parties and groupings. The council has full sovereignty as to the scope of the work with which it will concern itself and also with its presentation of views and opinions, whether the government is comfortable with them or not.

As reported by Marek Dabrowski, the council will work not only within its nine-person group, but will probably also appoint teams which will investigate some matters which are less weighty, as he put it. As of now, the new advisory body has not yet received a concrete draft on which to express an opinion, but it is expected that in a few weeks there will be more than enough work. The first session is planned for the middle of May.

"We will try to do everything we can so as not to make this an unproductive body. We want it to be of substantive help to the work of the government and the Ministry of Ownership Transformations. We do not intend to relieve anyone of their obligations. We will be only an advisory and consultative organ."

Limitation on Expenditures by Budget Department

91EP0493A Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 27-28 Apr 91 p 11

[Article by Katarzyna Jedrzejewska: "How Much Will We Get From the Budget?"]

[Text] The reaction of organizational units which are state financed to changes in the budget remind us of changes in the column of mercury in a thermometer. News about a budget deficit is immediately reflected in the limitation of expenditures for public finances. But as a certain classicist used to say, it is difficult to pour something out of an empty vessel (which is the budget).

Therefore, beginning 4 April of this year, state-financed units could only spend 20 million zlotys a day. Expenditures exceeding this amount had to have the approval of the Ministry of Finance. This temporary and unquestionably complicated solution for dealing with expenditures was replaced with a new one. As of 11 April, daily limits on expenditures for the ministries and local budgets are established every 10 days.

According to information obtained by RZECPOS-POLITA from the State Budget Department of the Ministry of Finance, this solution facilitates the planning of budgetary expenditures and forces the units to manage the money allocated to them more efficiently. It has turned out that already in the first days of April, some ministries exhausted their quota of 10-day expenditures.

Certain priorities for servicing particular sectors were established. First priority for money from the State Budget was assigned for payment of wages and salaries, second, for expenditures in the health service, and then, for what remained.

However, limitation of public finances should not affect the total amount of money allocated for the entire month, the Ministry of Finance assures us.

The representatives of the particular ministries are less optimistic.

Ministry of National Defense (MON), deputy director of the finance department, Lt.Col. Kazimierz Pietrzyk: "We feel the limitation of expenditures very acutely, also from the standpoint of the sum of money allocated to us. For April, we received a total of 1 trillion 200 billion zlotys, but we should receive 22 trillion zlotys for the entire year. What is worse, in the first 10 days of April we received only 67 billion zlotys. The money we receive is hardly enough to feed the army and pay salaries. There is no way that we can cover expenditures for the purchase of fuel or armaments out of what the ministry allots to us. Furthermore, our unpaid obligations already exceed 620 billion zlotys."

To the list of shortages and deficiencies we must add one more hardship: the delays in executing bank transfers. MON is afraid that the money allocated to it for the last 10 days of April may not reach the units in the field until May.

It appears from the Ministry of Finance information that MON should not complain. There are ministries which are much poorer and the last reports coming into the Ministry of Finance about how MON executes payment

obligations indicate only that a change in the priorities of how the money in that ministry is managed needs to be made.

Ministry of Health and Social Welfare, head of the central budget department, Jolanta Owczarek: "Out of the 55 billion [zlotys] which we receive daily we must cover the expenditures of 37 units financed from the State Budget (these are Academy of Medicine clinical hospitals), the Childrens Health Center, 400 medical secondary schools, 12 medical colleges, and small units of the interdepartmental clinic type. Add to this the fees for stays in health sanatoriums, expenditures of treatment-care institutions operated by convents, and investment expenditures. There is no way we can cover all of them. We have to make a choice. Today we give to these, tomorrow to others.

"The situation with supplements to medicines financed by the ministry in all voivodships is the worst. Last year's past-due payments have already exceeded 500 billion zlotys. Let us add, that starting 24 April 1991, payment must be made in full in the pharmacies of three voivodships: Slupsk, Gdansk and Elblag."

Ministry of National Education (MEN), deputy director of the economic department, J. Buske: "We feel the limits acutely, and even more the delays in executing bank transfers. I will give you an example: Our ministry is one of the few which pays wages and salaries in advance at the beginning of the month. Due to the holiday, we had to pay April salaries in March, but these expenditures were included in the March accounting. Because of this it was determined that we exceeded the 10-day limit. The result was a freeze on expenditures from the budget. Furthermore, it is not completely clear as to when unused limits are forfeited and when they are not.

"We sought an explanation at the source, in the budget policy department of the Ministry of Finance. The unused daily limits carry over to the next day and from one 10-day period to another. But they do not carry over from one month to another. Insofar as advance payment of salaries is concerned, according to information from the Ministry of Finance, the money allocated for this purpose is calculated into the limit of the previous month.

"There can be no talk about lack of money for salaries for the following month, or a suggestion by a ministry representative that the limits by virtue of this have been exceeded."

Ministry of Culture and Arts, chief accountant in the economics department, Ryszard Kolodziejczak: "The daily limits, totaled monthly, definitely do not constitute one-twelfth of the total of budget expenditures for our ministry. In April they will be about 15 percent lower than would appear from the law. This month we took advantage of additional supplements: for five days we have obtained 2 billion zlotys per day to finance the

CSCE conference. We have already applied for an additional 15 billion zlotys for this purpose in May."

The representative of this ministry was the only one who admitted at the very beginning, that although the limits are painful, they are necessary. According to the Ministry of Finance, putting a limitation on expenditures forces the budget-financed units to manage their modest funds more efficiently. On the whole, there is agreement in the ministries as to this purpose. But it is hard to accept it when every day, with paper and pencil, the money has to be divided. Sometimes the dilemma of who to give to and who to leave out remains unsettled. MEN, for example, not knowing to which of the 350 I and II-level arts schools, 17 higher schools, 55 museums, and 20 other cultural centers, to give the 20 million zlotys which it obtained as the daily limit at the beginning of April, did not give them to anyone.

The uncertainty as to the amount of money obtained every 10 days makes it practically impossible to plan future expenditures. Anyway, with the size of the limits as they now are, there is no point in dreaming about larger expenditures.

Banking Association Formed; Objectives Outlined

91EP0493C Warsaw RZECZPOSPOLITA
(ECONOMY AND LAW supplement) in Polish
27-28 Apr 91 p II

[Article by Pawel Jablonski: "Bankers Need Friendliness"]

[Text] In order for the Polish banking sector to develop quickly it needs not only a large amount of capital but also important is the friendly support of all self-management organs which make decisions as to the allocation of accommodations or land for the construction of new bank branches. Marian Krzak, president of the board of the Union of Polish Banks, appealed for such support, for the creation of an atmosphere of friendliness, for understanding of the needs of the banks in terms of accommodations and sites. The union was formed late in January, was registered in March, and as of 10 days has its new headquarters in the "White House", i.e., in the former Central Committee building.

The union is composed of representatives of 102 banks. The board is made up of three representatives of state banks, three private banks, and three cooperative banks. The union is the self-managing organization of all Polish banks. A Polish bank is considered to be any bank operating in Poland on the basis of Polish law. This definition is very important because it permits foreign banks operating in Poland to be members of the union. Two foreign banks are already members: American Bank in Poland, Inc., and Creditanstalt S.A. Bank.

The union's chief objectives are to represent all banks before the state, self-management, and economic administration authorities, and to popularize the principles of a money economy among the people. The union also

intends to take over the informational functions of the National Bank of Poland (NBP). In doing this, it will also publish a UNION BULLETIN and an ALMANAC OF POLISH BANKS. Naturally, the union will also make it possible to maintain regular contacts and cooperation between banks. The union has decided to create a system for training bank personnel, which is important.

In addition to these far-reaching and strategic objectives, the union is already taking some measures as a result of the current situation. At this time, an amendment to the banking law and the NBP statute is being prepared. The bankers believe that work on a comprehensive new banking law must be begun because this small amendment will solve only certain urgent matters. Furthermore, it does not solve the basic problems and is not prepared to deal with the new banking functions which are constantly changing in the developed countries.

Of course, there are certain things in the new amendment which have made our bankers very happy. For example, the ability to put an interest rate on mandatory reserves. But there are also those in regard to which there were many reservations, e.g., the ability to set a ceiling, or the restriction, by NBP, of credit actions by banks.

The union has some of its own proposals for legal solutions to three problems. The first is the right to form reserves at the bank's risk. The second is the creation of a system for safeguarding savings in private banks. This can be done by covering them with state guarantees or by creating a system of insurances. The third matter is limiting the ability of the NBP to issue administrative decisions restricting bank activities. But if such decisions must be made, their effects cannot infringe on the bank's duties which ensue from contracts concluded with its clients.

Because it is envisaged in the draft of the changes to the law that the Council of Banks will be liquidated, the role of the Union of Polish Banks as the only representative of Polish bankers, will automatically grow.

Electronic Data Interchange Development

91EP0492A Warsaw RYNNKI ZAGRANICZNE in Polish
No 50, 25 Apr 91 p 7

[Article by Halina Brdulak and Jan Durkiewicz: "EDIFACT in Poland"]

[Excerpts] Recently, the first symposium was held in Poland devoted to EDIFACT standards which, beginning in 1992, will provide the foundation for an exchange of electronic protocols in Europe, thus replacing conventional paper documents in international trade. The symposium was organized by the foundation POLAND EXPORTS to which the minister of foreign economic cooperation entrusted the task of implementing these standards in the country.

Origins

EDI (Electronic Data Interchange) technology has been used for many years in international trade in countries such as the United States, Japan, Great Britain, and Germany. Many EDI systems have been developed for individual sectors and regions, frequently for use by a single company. Each of these systems created its own interchange procedures and standards. However, not a single one of them could become worldwide in its extent because it was incompatible with others. A common standard was necessary, an Esperanto of sorts for EDI. Under the circumstances, experts in working group No. 4 of the UN Economic Commission for Europe for Streamlining International Trade Procedures came up, in 1985, with an initiative to develop worldwide EDI standards based on the two existing, most common regional standards: the European UN/ECE GTDI, and the American ANSI ASC X12.

In 1986, a group of experts from eight countries, including Poland, used for the first time the notion EDIFACT, the acronym for Electronic Data Interchange for Administration, Commerce, and Transport. This term, with the abbreviation UN in front of it, was officially adopted by the UN Economic Commission for Europe.

Subsequently, the basic EDIFACT norm was developed which set forth principles for designing electronic protocols, and which was confirmed by the International Standards Organization, the ISO, as ISO Standard 9,735. In 1987, three regional EDIFACT councils began operations—for Western Europe (EEC and EFTA), Eastern Europe, and North America (the United States and Canada). In 1990, two further regions joined in: Australia and New Zealand, and Japan and Singapore.

Poland has been an organizer and member of the EDIFACT council for Eastern Europe. Special UN coordinators for UN EDIFACT are in charge of the immediate organization of work in individual regions. Representative of Poland Eugeniusz Danikiewicz, director of the POL PRO Bureau, is one of five such coordinators.

Goals

The basic goal of EDIFACT is to streamline international trade procedures by replacing paper documents by electronic protocols sent remotely by means of teletransmission. UN EDIFACT represents a set of international standards which are needed in order to create and use electronic protocols. These standards are developed under ECE auspices.

Electronic protocols pertaining to the entire cycle of transactions are the basic subject of development. These protocols are subject to a multistage cycle of preparation and confirmation. All protocols have a certain status depending on the stage of their development. Three kinds of status are distinguished:

- "O"—a draft protocol which is being developed.

- "1"—a draft recommendation, or a draft of recommended standard.
- "2"—a standard protocol recommended for application.

At present, only two protocols have the "2" status, i.e., are recommended as international standards. They are an order and a commercial invoice. Seventeen protocols have the "1" status. They are being tested in operation, and will probably undergo a minimum of modification. Twenty-two protocols have the "0" status, and are being vigorously developed. Fifty other protocols to be developed have been reported to coordinators in individual regions. It is expected that a dozen or so protocols will be granted the "2" status this year.

An electronic protocol is the equivalent of a paper document. A conventional document is subdivided into parts to which segments correspond in the protocol; data correspond to rubrics or information boxes in a document, and sets of data correspond to their complex elements in electronic protocols. Data elements in EDIFACT electronic protocols are identical with those in commercial documents meeting UN standards.

In 1987, the so-called SAD (Single Administrative Document) was introduced in order to ensure the comprehensive use of uniform data elements in keeping with the EDIFACT standard in transaction documents in the EEC and EFTA countries. This made it possible to eliminate several dozen various documents which performed similar functions in the field of transportation and customs duties.

It is planned to introduce the SAD document in Poland in July of this year. Initially, it will only perform the function of a new customs declaration form. This will be a good point of departure for the comprehensive computerization of customs procedures, and for the use of the EDI. The use of SAD will make it possible to implement a new system of statistics on the turnover of foreign trade, taking into account the moment of crossing the border.

Benefits

They may be briefly outlined in the following points:

- Improved efficiency of operations due to the elimination of most paper documents (nondocumented trade), discontinuation of multiple entries of the same data, and due to this, a reduction in the number of mistakes and an improvement in the quality of information.
- Improvement of customer services due to reducing the time of order processing and other operations entailed by implementing a transaction. Automation of processing makes it possible for the system to work 24 hours a day, seven days a week.
- Streamlining of warehouse operations due to an opportunity to develop more precise sales projections, shortening delivery terms, and reducing the level of stocks in this manner. EDI makes it possible

to introduce new commercial procedures, for example, the "just-in-time" procedure, which enables plants to operate virtually without any production reserves.

- Shortening the cycle of sales, billing, and payment which is particularly essential for small companies because it improves their financial situation.
- Bypassing language barriers by using standardized data elements and codes.

The exchange of magnetic media makes it possible to secure many of the benefits mentioned above. However, this is acceptable only if it involves relatively small regions due to the need to ensure the rapid and safe transportation of magnetic tapes or diskettes. For this reason, EDI in international trade is inextricably linked to the use of telecommunications networks. For example, a special DATEX-P network exists in Germany, TELEPAC in Switzerland and DATAPAK in Scandinavian countries.

Application

EDI technology is used more and more commonly not only by large companies, but also small and medium-size companies in the countries of Western Europe, as well as in other regions. Under the circumstances, enterprises which use traditional methods of work will not only be less competitive but may also have difficulties finding partners for trade.

In addition, companies which for various reasons will maintain trade with "traditionalists" while using EDI will attempt to shift to the latter the costs of additional data entry for transferring traditional documents to the memory of computers. It is estimated that it will be necessary to pay about \$50 for entering a set of documents accompanying a shipment at a border crossing, and the cost of writing a commercial invoice will amount to \$8.50.

When Will the Turnaround Occur

Electronic data interchange in Polish foreign trade is actually restricted only to exchanges of magnetic media which contain sets of statistical invoices between foreign trade enterprises and the Data Processing Center of Foreign Trade. Attempts to establish data interchange with foreign partners have run into technical obstacles caused by the very poor and imperfect telecommunications infrastructure in our country. The telephone network introduces such interference that no data interchange of any kind may be planned in a responsible manner based on this network. No teledata network exists in Poland, and deadlines for starting up the national POLPAK network have been systematically postponed.

Local, autonomous systems of data processing, which are incompatible with other systems, exist in the Polish market. At present, initiatives are afoot which should bring about a rapid improvement of the situation.

The Foundation POLAND EXPORTS has set up the POL PRO Bureau in order to accomplish tasks in the field of streamlining procedures. It operates for the POL PRO National Council, which was set up by a decision of the council of the Foundation, with the consent of the minister of foreign economic cooperation. The POL PRO Bureau accomplishes tasks by setting up working groups consisting of experts from among broad circles of users. The bureau cooperates with private companies, state institutions, and other organizations in the country and abroad.

Conditions for Implementation

An electronic protocol should have the power of a traditional commercial document. This requires that it be unambiguously identifiable and secure from conscious or deliberate distortion. This requirement may be met by EDI systems using telecommunications networks.

A signature on paper should have an equivalent in the form of a so-called digital signature, which is equally certain and safe. This problem is handled within the framework of the TEDIS program which includes a vast array of undertakings concerning EDIFACT in the EEC. Establishing the interchange of electronic protocols instead of paper documents requires that corresponding contracts between partners be signed. The scope of agreements is very extensive, and it is easy to overlook elements which are essential to proper cooperation. For this reason, work on developing a sample contract which may be recommended has been undertaken within the framework of creating EDIFACT standards. The common use of EDIFACT standards in Poland calls for their legalization, or their introduction by appropriate legal regulations.

Initially, electronic interchange will be introduced by companies which have computerized systems of data processing. A package of conversion programs should be used in order to avoid substantial modifications of the existing system of electronic data processing. Such programming makes it possible to convert sets of data generated in the user system into sets complying with the structure of standard EDIFACT protocols. This programming makes it possible to convert received electronic protocols into sets of one's own nonstandard structure. Obviously, this requires that a one-time operation be performed which consists of introducing parameters describing the user system. Every package of the conversion programming mentioned above contains a special editor which makes it possible to perform this operation correctly. [passage omitted]

Many programming packages with different user characteristics are offered in the world information market. The issue of selecting an appropriate package is very significant for an EDI user, if we take into account their prices, ranging between 3,000 and \$5,000.

A package of communications software, which is usually furnished by the supplier of equipment, is also necessary

in order to implement an EDI system. It may also be purchased separately (its price does not exceed several hundred dollars).

Users should also take into account the cost of devices necessary for starting electronic data transmission, or so-called modems, as part of the costs of starting up EDI (the prices of the cheapest modems are around \$200).

Companies which are introducing new data processing systems may take EDIFACT standards into account as early as the design stage. In this case, they will not need to use the previously discussed conversion programming.

A network of appropriate service centers should be organized in order to also make the benefits of using data processing and electronic data interchange technology available to small companies, which cannot afford to purchase computers and costly programming. These centers, like similar units in EEC countries, should provide, at reasonable prices, services associated with preparing transactions and their documentation services, that is, offer consultation, enter and process commercial data, issue documents, and, where possible and justified, send and receive electronic protocols on orders by companies engaging in trade operations.

The application of the world EDIFACT standard is the basic condition for effectively taking advantage of opportunities provided by the technology of electronic data interchange in the case of both Poland and other countries.

The POL PRO Bureau may be contacted at the following address: Foundation POLAND EXPORTS, POL PRO Bureau, 27 Krolewska Street, 00-068 Warsaw. Telephone 27-62-51, extension 322 or 442. Fax: 27-68-10. Telex 812490 bpbo).

Privatization of National Enterprises Viewed

91EP0493D Warsaw RZECZPOSPOLITA
(ECONOMY AND LAW supplement) in Polish
26 Apr 91 p II

[Article by Ewa Zychowicz: "Passivity Is Conducive to Economic Stagnation"]

[Text] Article 37 of the Law on Privatization of State Enterprises provides that the Ministry of Ownership Transformations may liquidate a state enterprise in order to sell it (or its organized parts), make them part of a company, or give them to a company for a specified time of paid use.

All three ways of privatization may be used in combination, i.e., the founding organ, which would be the voivode or the pertinent minister, can sell part of the enterprise's property, move part of it to a company, and give what remains to the company for paid use. The only condition is that these be organized parts which could form a separate enterprise.

The decision to liquidate is made by the founding organ at his own initiative or at the application of the workers council with the consent of the Ministry of Ownership Transformations. The director and the workers council have the right to enter an objection to this decision.

Privatization, accomplished in this way, pertains only to enterprises which are in good economic condition. When an enterprise is not able to pay a dividend or if over half of its assets are shares or bonds, it is liquidated according to the procedure described by the Law on State Enterprises.

By 6 April 1991 the minister of ownership transformations had signed (in agreement with the founding organs) orders to liquidate 184 state enterprises, of which 111 were liquidated on the strength of the Law on Privatization, and 73 on the strength of the Law on State Enterprises.

Of the 111 enterprises privatized on the strength of the Law on Privatization, 25 are industrial enterprises, 43 are service enterprises, 22 are commercial enterprises, 19 are construction enterprises, and two are agricultural enterprises.

Of the enterprises liquidated on the basis of the Law on State Enterprises, most are service (23) and industrial (25). Next are commercial enterprises (15), construction (4), agricultural (4), and lottery monopolies (2).

The property of these enterprises is being sold mainly at public auctions.

The property of enterprises liquidated on the strength of the privatization law is, in 104 cases, being turned over to companies for paid use, along with the employees, and part of it is being sold at public auction.

According to information from the Ministry of Ownership Transformations, interest in privatization on the part of state enterprises is negligible. No more than three or four applications a day come into the ministry, and on the strength of the Law on Privatization, only one or two a day. Taken over the period of a year, therefore, this would be approximately 1,000 enterprises, of which, on the basis of the privatization law there would be only about 500.

Noting the passivity of most of the founding organs, the workers councils usually choose the third way of liquidating an enterprise—by turning it over for a specific time for paid use to employee companies, without clearly defining ownership relations and without the participation of domestic and foreign investors. In addition, the distinct unwillingness of the companies being formed to restructure themselves is apparent, which means that the existing production and organizational structures remain unchanged.

It is no secret that the choice, usually, of just one liquidation method gives the private sector a limited role in this process. This is not good, because greater participation of private investors could help to shape new ownership relations in privatized enterprises, which would also help to improve management methods.

A few months' experience has shown that the formula of privatization through liquidation is itself not the best. It introduces unnecessary language and procedural complications because the law is not very precise in this respect.

Given this situation, the Ministry of Ownership Transformations is suggesting changes which would make liquidational privatization more multidirectional. The key element in these changes should be to enable the private sector to participate more widely in the privatization of state enterprises.

It appears, therefore, that the legal barriers to private capital in the laws and directives pertaining to privatization must be removed. Financial barriers must be eased and a program to sell state enterprises, directed at private enterprises, must be prepared. Privatization processes must be decentralized by creating local offices, putting greater emphasis on informational and promotional campaigns, and initiating a program of privatization for selected branches of the economy.

Report Warns of Asbestos Threat in Workplace

91EP0491B Warsaw GAZETA WYBORCZA in Polish
11-12 May 91 p 2

[Article by (Szczy): "Cancer Unbeknownst"]

[Text] There are at least 78 factories in our country whose workers are unaware of working under conditions involving carcinogens, according to research findings that the Chief Labor Inspectorate made available to journalists on Friday.

The materials used in these factories contain carcinogenic substances, such as benzene, [word illegible], arsenic, and asbestos. Asbestos, which is used in producing asphalt, dyes, insulation, roof gutters, and even cardboard, for example, is a cause of asbestosis and tumors. Public buildings with bricks made out of asbestos mixtures have been closed in Germany, and a theater in Munich was closed for this reason.

The Asbestos Products and Fill Plants in Lodz, the PZL-Morpak Fill Manufacturing Plants in Gdansk, and the Insulation Plants in Szczecin and Katowice have the largest number of asbestos-related illnesses among employees.

Employees exposed to carcinogenic substances in the Swarzedz Furniture Factories, the Konin Aluminum Mill, and the Leather Industry Plants in Jelenia Gora are not being examined.

Here are some plants where employees are ignorant of the fact that they could easily develop cancer: the Lublin

Glassworks and the Glassworks in Parczewo, plant directors do not give the workers in contact with white arsenic any information about its carcinogenic properties, and at the Lublin Leather Industry Plants and the Leather Industry Plants in Jelenia Gora, no information is given about the risks related to vinyl chloride.

The directors of 16 plants state that they apply "immediate remedies to eliminate airborne carcinogenic substances." They manually sweep up, causing repeated aerial circulation of the substances.

Poland has not yet signed any of the International Labor Organization agreements concerning benzene and asbestos safety. Up to the present time, we have had no regulations prohibiting the use of asbestos.

"It will take two years even to introduce special markings ('A') on packages of materials containing asbestos," says engineer Teresa Nastula-Jerzak, of the Labor Conditions Department.

The Chief Labor Inspectorate has issued 55 orders containing 184 directives.

Procedures for State Farm Privatization

91EP0519A Warsaw GAZETA BANKOWA in Polish
No 18, 5-11 May 91 p 27

[Article by Andrzej Kolodziej: "The End of the State Serf"]

[Text] Ownership and structural transformations at state farms should be concomitant with the transformations taking place in the economy. State farms should be an element of the nascent system of the market economy, which consists in the flow of means of production and capital to the enterprises which assure their most efficient utilization. Money-losing enterprises will be eliminated.

Accomplishing these changes takes time. This is due to the absence of the basic elements of infrastructure of the market system, such as stock exchanges, banks, proper accounting procedures, or proper appraisal of assets, as well as to the current proportions of the ownership structure of the economy. That is why, in the transition of state farms from the traditional system to the market model, allowance has to be made for the need to accomplish this transition gradually and for differentiating the approaches depending on organizational specifics and the economic situation. Achieving the sole empirically proved model of the economy based on the dominance of private ownership of means of production should be promoted, insofar as possible, by means of economic instruments rather than administrative fiat. In this connection, the operating principles of state farms should be completely commercialized. This is to be understood as operating the farms on a cost-effective basis and adopting (correctly reckoned) effectiveness as the sole criterion of performance.

Taking the road of changes requires organizational restructuring, and chiefly a fundamental change in the mode of management. The new model of management of state farms must assure for the management the possibility of taking basic adaptive decisions, including decisions on structural changes. This would require a fundamental turnabout in the views on the role of the director, who should exert decisive influence on the strategic decisions relating to the proportions among production factors and the organizational structure of the enterprise. As for operative decisions, these, though still immeasurably important to the normal operation of the enterprise, are relegated to a secondary plane.

The course of structural and organizational changes as well as certain day-by-day management decisions should be under some control that would be exercised by a supervising council on behalf of the owner (who would remain the State Treasury) or by an agency established for this purpose. In practice, the individuals exercising this control would also have to be interested in maximizing the economic performance of the enterprise. At the same time, a wary eye should be cast on short-term bottom-line decisions taken to maximize profits at the expense of the enterprise's assets.

In the above strategy of changes, there is room only for profitably operating enterprises. At the same time, it is necessary to explore ways of implementing a receivership procedure that would make possible the transfer of resources from bankrupt enterprises to the private sector or to well-performing state enterprises. It will certainly be a problem to distinguish between the chronically inefficient state farms and those whose economic problems are due to poor management or to mistakes made in the past (e.g., overinvesting and heavy depreciation rates). At the same time also it is worth noting that the performance of many enterprises is markedly burdened by their having to provide special services for employees, such as plant housing and in-kind allowances. A gigantic problem is the absence of internationally recognized accounting procedures. A system based on "International Accounting Standards" is only about to be prepared by the Ministry of Finance. All this points to the need to maintain a certain protective transitional period of time during which some unprofitable enterprises may be allowed to continue operating. It would be a mistake, however, to afford this opportunity to every enterprise without exception, including those which are going to be bankrupt anyway. Thus it may prove to be a major problem to distinguish between temporarily and permanently unprofitable enterprises.

Structural changes and ownership transformations at state farms should be viewed in the context of the strategy presented above. Thus, privatization could proceed in the following ways:

- After the sale of the assets of the bankrupt enterprises and the completion of receivership proceedings.
- By selling off surplus equipment at enterprises which are going to become restructured and commercialized.
- After the eventual sale of stock in profitable enterprises, employee stock ownership could be introduced only at efficiently performing enterprises, because it can hardly be expected that sales of stock in an enterprise about to become bankrupt—insofar as any buyers could be found at all for such stock—could affect its performance.

In practice a combination of all these approaches is conceivable for multiplant-type enterprises.

In addition to the ownership transformation, so-called small-scale privatization, that is, the sale of entire farm sections, cannot be precluded. This will be a marginal factor and it will rather affect the side aspects of farm production (procurements, trade), although it cannot be completely precluded with respect to state farms too (e.g., privatization of a tractor repair shop).

It is not possible at present to envisage the actual pace of the changes outlined above at state farms. That will depend on, among other things, the pace of ownership transformations in the economy. However, allowance should be made for the urgent need to change the state sector of agriculture fundamentally. To leave state farms operating under their traditional system would mean to very many of them a road leading to bankruptcy.

The foregoing scenario of proposed changes does not mention the land problem. That is a problem that needs to be separately solved through one of the following approaches:

- Conferring on a state farm the title of ownership of the land it cultivates.
- Sales of state farm land at a price fixed by the state.
- Auction sales of land to any potential buyer.
- Leasing of state farm land and collecting lease fees in amounts ensuing from the official prices of land.
- Announcing open auctions of leases.
- Transfer of state farm land for perpetual usufruct.
- Sanctioning the existing status (land remains administered by the state farms).

The adoption of some of the above approaches would involve basic technical and organizational problems, which should be the subject of a separate analysis, before the changes leading to a market economy become an element of structural and ownership transformations on state farms.

Ruling Party Seen 'Purging' Its Ranks

91BA0686A Bucharest ROMANIA LIBERA
in Romanian 12 Apr 91 pp 1, 5

[Article by Bogdan Tanasescu: "Masquerade in the 'Rose Garden'"]

[Text] The Romanian revolution is still devouring its children. From the start, the fire of FSN [National Salvation Front] propaganda was first concentrated on the real dissidents, those with the courage to openly oppose the communist dictatorship and who were accordingly the most inconvenient for the new regime. Now it is the turn of those who, out of naivete or for other reasons, joined the FSN.

Silviu Brucan, the Front's ideologist in the period before the elections, was far too compromised by his activity while the communist dictatorship was being established and stayed outside the Front after the elections. Yet Mr. Brucan continued to flirt with the regime, for which he tried to perform new services. Now he is criticized even by the pro-FSN press. What happened? Why did Mr. Brucan become inconvenient? Could those few statements on TV and in the press have irritated even the very strong Mr. Iliescu?

N.S. Dumitru, a prominent personality in the Front, also fell from grace. Why? He served the regime quite consistently. He was the one to mobilize the Bucharest workers against the demonstrators on 13 June 1990. He was also concerned with receiving the miners in Bucharest. But he was not the one who had invited them nor the one who had thanked them. It is possible that later on the whole thing was blamed on Mr. N.S. Dumitru. He had also become compromising because of the report on the events at Tîrgu Mures, since he had made an essential contribution to that report. The moderate nature of the report also contributed to Romania's acceptance as an observer on the Council of Europe. The government profited. Mr. N.S. Dumitru had to pay. At the FSN National Conference he was accused of "political profiteering." He had compromised himself too far in performing services for the Front!

Dan Iosif was a veritable electoral mascot for the Front. Presented as a symbol of the Romanian Revolution, he was pushed into the leadership of the FSN even in the Senate. Several times at the electoral meeting of the FSN held in Aviators' Square Mr. Iliescu himself did not hesitate to raise his hand, in which he held Dan Iosif's hand. Now not even he is of any further use to the Front. Is he perhaps disadvantaged by the fact that before the "revolution" he had no connection at all with the staff? Or have the leaders suddenly remembered his dubious past? Why not until now?

Claudiu Iordache may have represented the "naive" wing of the FSN. At any rate he was the only one who conveyed an impression of sincerity in the interviews granted to the press or in TV appearances. But the government party does not need anything like that! Mr.

Ion Aurel Stoica, who knows the value of communist dialectics, is far more in order! His resignation from the government was the only one accepted by the prime minister so far. Why? Was a "rotation of personnel" in store for Ion Aurel Stoica at the time?

The latest surprise came from Mr. Alexandru Birladeanu, one of the main pillars of the FSN, elected to the presidency of the Senate by a massive vote of the majority party. His critical attitude toward the government very acutely irritated the reform minister, Mr. Adrian Severin. The latter, displaying a memory as selective as it could be, suddenly remembered that Al. Birladeanu is one of the old staff members. Did you not know that before, Mr. Severin? Or did it suit you to pretend you did not know? Or did you just discover it in your telephone conversation with the prime minister?

In any case, if you knew interesting things about Mr. Birladeanu, a founding member of the FSN, and did not even inform us, the voters, about them, probably for political reasons, you are giving us leave to no longer trust you either. And one more question: When you said, "I am surprised that people are talking about democracy today who were the mainstays of a system that was not democratic," did you include Mr. Iliescu? Since you did not name any name, we can suppose that you did, especially since you performed important party functions in a period more recent than the one in which Mr. Birladeanu had actually done...the same thing.

What is going to happen from now on? For the time being a "leftist" wing has emerged from the FSN, calling itself "social-democratic," but the FSN claims such a persuasion for itself! To whose advantage is that? For the time being the new FSN is weak. It is composed of 10 members of Parliament, but after all, their number may increase. If the reforms planned by the government do not produce the desired results, and that appears very probable, what will become of President Iliescu? For the time being he is biding his time. If things do not go well and the public's dissatisfaction grows, it is possible that the whole thing will be blamed on the government. The great majority of the present FSN members of Parliament and...President Iliescu might rally around the little "social-democratic" FSN. Even Mr. Petre Roman might be sacrificed in the name of "higher interests." We shall see. Until then the removal of "inconvenient" elements from the FSN leadership will go on discretely. Moreover, the possibility of excluding such elements from the party is stipulated in Articles 38 and 39 of the FSN Charter. The Committee on Ethics and Litigation is in charge of investigating the facts and recommending exclusion.

When were the purges on the communist model? Between November 1948 and May 1950 the communists provided a "brilliant example" by purging no less than 192,000 members from the party, or 20 percent of the activists!

But in the meantime Romania's new laws are signed by a former staff member of Stalinist origin, a professor of scientific socialism and a former party secretary!

P.S.1: The title of the present article exactly reproduces (including the quotation marks) the title of an article by Silviu Brucan's published in SCINTEIA No. 2372, June 1952. We quote from it, "In his rose garden, Truman is dreaming. But it is not a dream, but a nightmare. Peoples do not forgive crimes and criminals." Aside from Truman, a former president of the United States, we appreciate Mr. Brucan's prophetic views!

P.S.2: We were used to the communists' accusing each other of "deviationism," collaboration with the "class enemy" or "weakening revolutionary vigilance." Now the former communists have come to accuse each other of...communism!

Social Democrats Explore Coalition Options

91BA0723C Bucharest DREPTATEA in Romanian
14 May 91 p 4

[Article by Dan Coste: "A Possible Social-Democratic Alliance"]

[Text] The proceedings of the Central Council of the PSDR [Romanian Socialist Democratic Party] were held in Bucharest on Saturday. They were attended by the presidents of the county branches. The president of the party, Sergiu Cunesu, briefly presented the four points on the agenda, after which several speakers took the floor.

Concerning the disagreements expressed about a possible withdrawal from Parliament, it was stipulated that such a decision could not be made without consulting the electorate. Moreover Romania's state of crisis is not the fault of the historic parties. Withdrawal would mean giving up the political struggle, whereas the three parties are actually directing the antitotalitarian struggle.

The PSDR's actions in Parliament were brought out in the course of the discussions about the Romanian Constitution.

The guiding council of this party considers the reshuffling of the government unsatisfactory. Because of the political errors and the fact that the options of the electorate have changed, early elections are necessary.

The vital necessity of expediting elections of the local organs was also emphasized, but not until the present local administrations are replaced with honorable people without political flaws. That is the only way any objectivity will be secured.

Mr. Gravu, the local president, made some statements about the initiative group formed in Fagaras on 4 May. That group was formed in order to strengthen the PSDR and not to disagree with it. In the event that a social-democratic alliance is founded, the PSDR wants to become the coordinator of all the social-democratic

forces in the country. The Fagaras opinion group will contact similar forces in Romania, explaining that this alliance does not mean a merger of the participating parties but a reinforcement of the social-democratic movement in Romania. It could counterbalance the weight of the totalitarian parties of the Left, the FSN [National Salvation Front] and PSM [Socialist Labor Party]. An alliance with the FSN-20 May Party is also possible.

Vice President Avramescu's viewpoint was very interesting. He noted the fact that without such an alliance, confusion and bankruptcy of the concept of social-democracy will increase. At present it is believed that there are two distinct political trends in the country, one totalitarian and the other antitotalitarian.

As for us, we think that alongside the two trends, there is also a third one, let us say an "as the wind blows" trend. We have included here such parties as the PUNR [Romanian National Unity Party], the PLS [Free Exchange Party], PNL-AT [National Liberal Party-Young Wing], etc., that fluctuate between the two above-mentioned trends according to their political or financial interests. They can be dangerous to both the electorate and the other parties if they acquire any credibility.

The comment of the president of the Mures PSDR seemed questionable to us. In reasserting the wish of the branch he leads not to belong to any alliance at all, he mentioned that "The PSDR has the greatest membership in Mures County, adding that out of the 100 people whom you ask in Mures, 105 want Mr. Cunesu for president (of the country—our note)..."

The way the PSDR will succeed in attaining its proposed ends, as well as the results obtained, will be seen in the future. Public opinion will be informed periodically about national political affairs.

As last-minute news, we are making it known that the FSN (the old wing) is not accepting any possible social-democratic coalition, especially since new splits in the government party are possible.

Former Securitate Major Rejects Terrorism Charges

91BA0686B Bucharest TIMPUL in Romanian
15 Feb 91 p 11

[Unattributed article: "Scenarios and Reality: Testimony in the 'Terrorists' File (IV)"]

[Text] We continue publication of the account of Maj. A.D. in the former Fifth Directorate of the DSS [State Security Department] concerning the circumstances under which he was arrested and declared a "terrorist" on no grounds at all. He tells below about the treatment of "terrorists" in the days following the arrest.

I remained so for several minutes after which, at a command, the armed officers formed a passageway by

lining up in two rows, facing each other, on both sides of a walk that led to an annex of the Ministry of National Defense's building or, more accurately, to prison. After we lined up in Indian file, we passed through those "Caudine Forks" [site of a historic defeat of the Roman army in some narrow passes] along the walk. At a few meters before entering the building, I was surprised by a voice calling me: "D., you don't know me any more!" I turned my head to the right and saw an infantry captain whom I knew in military school. He was horrified too, and I think he was astonished to find me in the group of "terrorists" captured in the CC's [Central Committee] headquarters. I don't know whether he actually believed that I was a terrorist, but I gathered from the fact that he had the courage to call out to me by name that many of the officers had begun to doubt the truth of the reports that we security officers were terrorists. After the situation was clarified, at least as regards the Fifth Directorate, many of my former colleagues in military school whom I happened to meet later confirmed my belief that they were afraid of us because of the reports received, which they did not always have the time or opportunity to verify, and which identified the officers of that unit as terrorists. The greatest confusion in their ranks was created by the assertion of Teodor Brates, who shouted in a loud voice from the national TV station that "Ceausescu's security officers" were operating in all kinds of catacombs and attacking the Army and the civilian population. I believed them, understood them, and respected them, because they explained to me what was in their minds when for the first time in their lives as soldiers they had to fight with a savage and unseen enemy. I answered them briefly, "I know you but you do not know me." We went down two or three steps in line and entered a hall about 15 meters long.

When we came into the hall we were ordered to halt. A noncom cut the ropes off our legs, but our hands remained bound, some with ropes, some with telephone cables, and some with handcuffs, all by chance. Then we were brought into a room of about three by three meters. The windows were coated with white paint and covered by gratings. Inside it, there were three wooden benches along the side walls, set on iron frames and with metal legs. There was a sink on the wall off the hall, with a faucet without a spigot from which a trickle of water flowed continuously into a small cast iron washbowl that was rusty on the bottom and on the edges. Because of fatigue and the large number of us who had been crowded into the narrow space, most of us began looking for a place to sit down in order to rest. We had the satisfaction of finding that the radiator set against the outer wall under a window was warm, and we took turns at holding our hands in front of it for a few minutes in order to warm and recover ourselves.

Then Nica Leon counted us. There were 19 persons in all, including six officers and a noncom from the Fifth Directorate. The rest were civilians. I don't know whether all of them had been arrested at the CC's headquarters.

A few minutes later a superior officer appeared in the doorway of the detention room, followed by two other officers armed with tommy guns for his protection. There were other officers in the hall, ready to intervene if needed. When he saw that not all were paying due attention to him, he shouted, "Attention! Listen to me a minute! I don't know who you are or what you have done." Then he warned us that we did not have permission to talk to or untie each other. He also told us not to try to escape because we were well guarded and not to dare to force the window because there were armed soldiers outside it. He informed us that he was ordered to guard us and that the order would be carried out exactly. Then he asked us whether we had any wish or any particular problem. Capt. M.S. approached him and asked him to order his handcuffs removed, showing him his hands, which had begun to swell up. The officer looked at him carefully. He shook his head and told us that we must all understand the situation and that he was sorry but he did not have the keys to the handcuffs because the ones who put them on "forgot" to give the keys to the soldiers who transported us. Those who were handcuffed understood that they would have to accept the situation that night because nothing could be done for them.

Then one of the civilian tradesmen at the former CC headquarters asked the officer to approve our going to the toilet. He agreed and gave an order to take us in turn to the toilet, which was at the end of the hall. A captain untied our hands, but the handcuffed ones could not benefit by that favor. The officers told us to be calm because nothing would happen to us if we were not guilty. One of them assured us again that they were only doing their duty to guard us and that we would be safe as long as we remained there. The handcuffed ones declined to go to the toilet. Then they tied our hands again, but not as tightly as before.

The door was closed and an officer told us through a peephole that remained open that from then on the door would not be opened again all night and he asked us not to talk any more or to be restless. Then he added, "You can drink water from the sink, and you can also perform your necessities there. The light will stay on all night." Then several pairs of eyes began to pass in front of the peephole in order to peer at the terrorists, and we heard chairs being brought for the officers who were to guard us. Col. F.I. approached the peephole and said, "Officers, I tell you we are not guilty. As for the orders that have been given, they will be obeyed. We will convince you that we were detained in error. Our innocence will be proven later. We supported the revolution, and we are not terrorists." They could not engage in discussions with us, but they were looking at us and I think they were having some traces of doubt about our guilt.

There were elderly men among us, on the verge of retirement, and some younger ones, but not one of us looked like a "guerrilla" or fanatic who would commit terrorist acts against the public. They had begun to discuss this among themselves, but they were doing their

duty. They had to be vigilant. What a difference there was between these officers and Iordan Radulescu, the one who arrested us, brutalized us, and urged armed civilians and soldiers to search us in a quite inhuman way. At one point the infantry captain whom I knew appeared in front of the peephole. I recognized him and approached the door. He asked me softly, "What are you doing here?" I answered him, "You know me and I give you my word as an officer that I am not a terrorist. Not one of those here is a criminal. Do not believe what they told you about us." He sank into his thoughts, while two more eyes appeared at the peephole. He advised me to be calm because nothing would happen to me as long as I was there. "But tomorrow?" I asked. "By tomorrow, we hope things will be clarified," he went on to say. Since some more eyes also appeared at the peephole, I asked what chiefs of the Army or Interior were there. I wanted to know whether on the second day they would hear about those held there. One of them said that Generals Stanculescu, Guse, and Vlad, Col. Ardeleanu of the USLA [expansion not given], and I think Gen. Neagoe, too, were at the MAPN's [Ministry of National Defense] headquarters. I was glad to hear that the commander of my unit was also there, but at the time I did not know what his actual situation was. I imagined that Gen. Iulian Vlad would plead in our favor, since he knew better than anyone what our unit did on the preceding days.

I was very worried both about my fate and because my wife and three children no longer knew anything about me. Therefore I gave the captain who had talked to me my home telephone number and asked him to call up my wife and tell her that I was alive. He replied that he could not because the telephone could be intercepted. Then I asked him to look for two of my graduating classmates, one of them a former schoolmate and the other a native of the vicinity of my native village with whom I had kept up friendly relations after I moved to Bucharest. He promised me he would do so but, probably out of fear, he did not. Other faces also passed in front of the peephole, but I did not recognize anyone else.

At one point machine-gun fire and noises of explosions began to be heard near the MAPN. Frightened, we all got on our feet. I approached the peephole and asked the officers who were guarding us, "What is happening?" One of them told me we should sit down on the benches and be quiet because it was terrorists firing on the headquarters and the Army was returning the fire and trying to capture or liquidate them. We, the imprisoned officers, looked at each other and wondered aloud who they were. A voice shouted at us from the hall, "Wait a while and you will know who they are, and don't pretend to be naive any more!" After about 15 or 20 minutes the firing tapered off and then it was quiet.

It was after midnight. Master Sergeant I.S. managed to untie his hands. Seeing him, I too began to pull on the telephone cable with which they had tied my hands. The cable gave way a little and in that way I also managed to free my hands. Then Master Sergeant I.S. also helped the

other prisoners whose hands had been tied with rope or telephone cable to untie themselves. The officers who were guarding us saw this but said nothing because they were convinced that we were not violent. One of them warned us not to do anything stupid and force them to fire on us. Then he asked us to keep our hands in back of us when the chiefs in control came. We assured him that we would keep quiet and that we were not even thinking of trying to escape. Then we tried to get some rest, some of us sitting on the benches and others on the floor.

I was sitting on a bench beside Emilian Dobrescu and Capt. M.S. Both of them were handcuffed, and their hands had swollen up terribly. At one point Col. F.L., who had dozed off on the bench along the wall in front of our bench, was utterly exhausted and tumbled off the bench. All of us whose hands were free hastened to help him get up. Then we freed a bench, on which he sat down. Then he lay down and we placed his cap under his head for a pillow. Half an hour passed, and it seemed that all had dozed off. Suddenly a noise awakened us again. Next to my bench Emilian Dobrescu was lying stretched out on the floor. He had fallen and could not get up because he was handcuffed. We also helped him get up. At the same time the officers who were guarding us heard the noise and fuss in the room and quickly opened the door. Their guns were pointed at us. When they realized what was going on they calmed down. We asked them again to free his hands. One of them replied that he was sorry but he did not have the keys. We massaged his swollen hands a little but we could not remove the handcuffs, which had dug a deep groove in his flesh, obviously impeding circulation. Then we soaked his hands with cold water. The man revived again but stood stiff as a board and had a lost look. Then we pushed the bench to the wall. Emilian Dobrescu sat down on it, supporting his head against the wall. The quiet did not last long. A muffled noise awakened us. This time Capt. M.S. had fallen down. All of us with free hands leaped to help him sit on the bench. He did not cry but tears were flowing from his eyes and he kept saying, "Whose sins am I paying for?" Then he began to groan from the pain. He got up from the bench and from that time on I did not get any more sleep. Every quarter of an hour we soaked his hands with cold water. That is how I spent Christmas eve, thinking of my family and the gravity of the charges that Iordan Radulescu had brought against me and the others. The more time that passed the more I realized how desperate my situation was.

At dawn on 25 December 1989 the door was suddenly opened. We all rose to our feet. A group of officers was in the hall by the door with their guns pointed at us. One of them shouted, "Two of you come with me!" We looked at each other, and I at least thought they were taking us to be shot. Nica Leon was the first who dared to go out, and then others followed him. I went out along with a young revolutionary, Mihalache, a native of a village in Prahova County. We both went to the end of the corridor, between officers armed with tommy guns. A noncom holding a pair of handcuffs was awaiting us

there. He told us to hold out one hand and put the handcuffs on us, on my right hand and on Mihalache's left hand, thus binding both of us with the same handcuffs. A so-called revolutionary and a "terrorist," actually a security officer, were now coupled by an identical fate, united by the handcuffs clasped on their hands. Two officers armed with tommy guns escorted us to a platform. The other "terrorists," handcuffed in pairs and guarded by armed officers, were waiting at a distance of a few meters from the respective annex. A little more to the left a large refrigerating truck intended for hauling meat was waiting. At the sight of it I was seized by fear again because I was not expecting to be taken elsewhere. All night we had hoped that our situation would be resolved there, at the MAPN, and that we would be set free because we were not terrorists. At that point our group became convinced that the last trip to the place of execution would be taken in that vehicle. The door in back was open and we saw hooks for hanging up joints of meat hanging from the ceiling. Our conviction was strengthened when in a few minutes other prisoners were brought there, including three military personnel from the USLA, a young dark-skinned man who I was to learn in the following days was a Jordanian student, and a few others about whom I have not succeeded in learning anything even to this day. I knew the ones from the USLA well because we performed many missions together in previous years for the antiterrorist protection of Romanian and foreign dignitaries. They appeared to be in a pitiful state. One of them had a gauze bandage on his chest and on his shoulders, and the gauze was full of blood. His face was swollen from blows. Another one had crushed lips, his face was full of coagulated blood, the hair of his head was stuck with dried blood, his face was swollen, and his cheeks were so swollen that he could hardly see. The third one showed only traces of blows to the face and head. I approached them and asked them, "What happened? Who beat you into this condition?" I could not find out anything from them because an officer forbade us from conversing any further. Nevertheless one of them ventured to say softly, "If we live I will tell you. It was horrible! We escaped from a massacre. Trosca and Cotuna died!" An officer ordered us to climb into the truck. Two other officers took a stand at the door and helped us climb up, not before warning us that we were to sit on the floor resting our backs against the side walls and that we did not have permission to talk. We carried out the order in pairs, leaning on the two officers, and got into the truck as into a time tunnel. The floor was wet and there were puddles of water here and there. Some of us were scantily dressed. Col. F.L. and Col. O.N. were in suits, with shirts and ties. Nica Leon and Mihalache were only in pullovers. Their overcoats or short coats had been left at the CC's headquarters, and at the time they were arrested no one had thought of the trip they were to take or the cold they were to endure. After we climbed into the truck the door in back was shut and bolted from the outside. Later we found out that two senior lieutenants (Topor and Oprea) had been assigned the mission of transporting us. They climbed into the

cab, and a TAB [Armored Amphibian Transport] followed the truck with the mission of intervening in case of an attempt to escape and to protect the transfer against any possible terrorist attack. The van was almost hermetically shut, and it was pitch dark inside it. The truck was started up. Some tried to get up on their feet, but the hooks hanging from the ceiling made them sit down again. Then I said that it would be good if we lay on our bellies with our heads in the center in order to be protected in case the truck was fired upon during the trip. I do not know whether all of them lay on their bellies because it was pitch dark inside and I could not determine that.

Brucan Replies to Securitate Cadre's Charges

91BA0723D Bucharest ROMANIA MARE in Romanian
12 Apr 91 p 12

["Text" of a letter sent to ROMANIA MARE from Silviu Brucan, former vice chairman of National Salvation Front]

[Text] Our editors received the following:

To Mr. Eugen Barbu, manager, ROMANIA MARE

Mr. Manager,

You have recently devoted several pages of homage to me, thus beating the record set by ROMANIA LIBERA in January with a whole single page, and even the desperate efforts of a former sports reporter, propelled in the postrevolutionary turmoil to the position of manager of a newspaper who, in order to break the closed readers' circle of the paper's proofreaders, has carried for two months the heading "The Brucaniad" I, II, III, IV, V, and I do not know how far they will keep it up. (Editors' Note: Could this be our colleague Horia Alexandrescu?)

This time even the Securitate is attacking me in person, and the page is entitled "Stop Lying, Mr. Brucan." It is signed Ion Romanu, a former worker for 40 years in the security services, and I wonder why he did not sign his real name. As a political scientist I can assure him he is running no risk at this point. On the contrary, he would find himself with a very attractive service offer. But inasmuch as he has asked me a number of questions, with your permission I hasten to answer him in the pages of your paper.

1. The first question is about my pension "under the old regime and today." My answer is 3,963 lei, to which 400 lei were added recently. I could have requested a special pension of 7,000 to 8,000 lei by virtue of my status as illegal, as others did, however I did not do so because it meant kowtowing to Nicolae Ceausescu.

But it is true, as Mr. Romanu says, that I was in a materially privileged position. I lived with my family in a comfortable villa at 16 Herastrau Street, I had an elegant Opel Rekord car in which I traveled many European roads, in summer I paid in dollars for rooms

by the sea or in the mountains, and I could buy my food and drink in more than sufficient quantities from the Comturst shops. In a word, I had no problems.

The explanation was unusual in Ceausescu's Romania. I was earning more dollars than lei! I had published four books in America, two of which were in the bibliographies of the major universities, providing me with quite comfortable royalties in addition to funds from the translations of those books into foreign languages. Let me add that from 1968 on I had taught courses every year in major American, British, Japanese and Dutch universities, at the Sorbonne, etc., which had been very well paid. From a single month's salary during a semester at the University of California (1969-1970) I was able to pay for my Opel passenger car in Vienna. As for my articles ordered by American newspapers or journals, Securitate knew very accurately how well they were paid, because they withheld my two checks for \$500 each during the period when I was under investigation. The scientific journals rewarded my more extensive studies even more generously.

Furthermore, the author of the article knows this situation perfectly well, because it was he who asked the Romanian Foreign Trade Bank for an expert's report on my account of about \$10,000 in 1989, making me justify every sum deposited in that account under the threat that it would be confiscated. Fortunately, I had kept all the pay receipts from the publishing houses, universities and journals, so that there was nothing he could do to me.

I have reported all this in order to point out something that Mr. Romanu cannot understand, namely that my political actions in the years of the Ceausescu dictatorship were not caused by any material want or privations. I was living well and could have been even more comfortable. I could not even spend in Romania as much as I was earning abroad. But in November 1987, when the Brasov workers rebelled and burned the pictures of Nicolae and Elena Ceausescu in the square, I resolved to spring to the defense of those admirable workers beaten and tortured by the Securitate, and I invited the BBC and UPI reporters to my home in order to make a statement of protest (which you do not mention at all) that was disseminated throughout the world, although I realized perfectly well that I was risking everything—my house, my car and my good life—but above all my freedom and perhaps even my life.

For Mr. Romanu everything is reduced to food, drink, domestic comfort and other material advantages that he describes with an enthusiasm equaled only by the envy and frustration betrayed by the smallest details remaining in his memory.

You paint an idyllic picture of my "house arrest," Mr. Romanu, but you do not say that you posted two executioners in uniform at the door of my house who stopped anyone trying to come in, and when I went out of the house they told the agents around the corner through a walkie-talkie to follow me step by step even

into cigar stores; that you completely cut off my telephone and I could not call for ambulance service when my wife was in a crisis; that you prohibited my foreign mail service; and that you stopped and proceeded to identify anyone who greeted me on the street, so that people no longer wanted to contact me.

2. Other questions concern my contacts with foreign embassies and diplomats, about whom you tell with a wealth of detail. In general those accounts are true, but there is a fundamental distinction here between my idea of a police state and yours. Even today you still maintain Ceausescu's attitude that any contact with foreign diplomats is a crime, while I considered such contacts perfectly normal and desirable at the close of the 20th century. As I stated in the investigation, I operated in Bucharest just as I did in Washington as the Romanian ambassador, where I had regular contacts with American journalists, representatives, senators and businessmen, not to mention American Romanians. I never once agreed to submit to the medieval kind of prohibition imposed by Ceausescu, especially on intellectuals, from going to foreign embassies without the approval of the police.

The best evidence that I have nothing to hide in this respect is the fact that I gave the journal *EXPRES MAGAZIN* the Securitate file reporting in detail my contacts, visits, and discussions with foreign diplomats. As for my stand on the economic and cultural policy of the Ceausescu regime, I expressed it publicly in the interviews I granted the Radio Free Europe, Voice of America and the BBC radio stations in the fall of 1988.

Whereas in Mircea Raceanu's case the Securitate could prove his guilt as a CIA agent and the fact that as a deputy director in the MAE [Ministry of Foreign Affairs] he supplied state secrets to the Americans, receiving both dollars and lei in exchange, in my case all efforts in that direction failed. The outcome was that Mircea Raceanu was tried and convicted and is now in the United States with his whole family, while I am fighting with you in Bucharest. Moreover, as a pensioner I could not have any state secrets and the only state secret that I could communicate to the foreign diplomats was that the situation in Romania was bad, which they also knew.

The question of who took the photographs of me shown on TV in which I am seen entering and leaving the houses of American diplomats surprises me. You know very well that your apartments were located opposite the houses of those diplomats on Belgrad and Snagov Streets, in which apartments the security men took those photographs and wrote on the backs, "Subject Sergiu left subject Paul's house on Belgrad Street at 1400." And I was subject Sergiu in all of the Securitate's [word illegible] reports. And so do not pretend to be naive because it does not become you.

3. In connection with the Securitate, I stated on TV that I do not agree with a general trial involving the 700,000

informers, just as I think a trial of communism against the 4 million party members is absurd. There were honorable men in both, patriots who were doing their duty to their country. But I favored a serious trial of the former leaders of the Securitate.

I understand the feelings of Ion Romanu, who devoted 40 years of his life to the Securitate service, but I cannot agree with the haloed image of that odious institution, nor with the cosmetic account of the treatment accorded me and my family. It is alarming that not even now does this man realize the monstrous role played by that institution under the dictatorship and sees no need of reproaching himself a bit for the brutal way in which my family was evacuated in Damaroia, or for the abuse committed in the case of discharging my daughter, who remained unemployed for so long, or in that of the forced move of my son-in-law, an architect, to Calarasi in order to tear the family in two. Not even Ceausescu's drastic laws allowed anything of the kind. It was an illegality crying to heaven! He tells that my daughter and her husband went fishing on Sunday, but he does not mention that he did not come until Saturday on the train from Calarasi, which arrived in the evening, and he had to take the train back on Monday at 0600 in the morning.

Speaking of lying, Ion Romanu states that I was notified by telephone (at a neighbor's house) when they came to arrest me. Nonsense, the neighbor was the late Giosan, and I never entered his house. And there are many lies like that on the respective page. He speaks of the fact that "You agreed to the hour of departure." That is to say, I agreed to roam the Calea Rahovei daily in order to listen to your nonsense! Well that is the limit!

In closing, I must acknowledge that professionally you were very good and whenever you need a letter of recommendation to Mr. Magureanu I am ready to give it to you.

Bishop Tokes Seen Encouraging Lawlessness

91BA0723A Bucharest ADEVARUL in Romanian
14 May 91 p 2

[Article by Iosif Pop: "Mr. Tokes' Sermon Is Not Even a Cry in the Wilderness"]

[Text] Pastor Laszlo Tokes knew what he knew when he preached at Eger about the danger that threatens Transylvania. In his capacity as a great pastor he must have heard about the actions of some of his parishoners, in whose minds the bad seed of the lawless is lodging. In Bihor County, in the center of the Protestant bishop's great "parish," we were to encounter some manifestations whose devastating proportions are beyond the comprehension of a God-fearing man. If we want to publicize them it is only because of the far too great similarity between their violence and the increasingly intensive propaganda that the Oradean prelate is disseminating in the course of manifestations of a striking nationalist nature.

The actions to which we refer took place in the locality of Sintimbreu. Over 100 persons, organized in gangs of 20 to 30 each, purely and simply razed from the surface of the earth a portion of the commune's acacia forest. That is actually a loss of protection against soil erosion. This devastating act created the danger of a phenomena that will lead to clogging the projects implemented on the valley canal as retaining walls to protect the reservoir lake in the area. The damage is great, while the effects upon the balance and stability of the ecosystem in the microarea are particularly serious. But it is not so much upon the extent of the calamity that we want to dwell in this article as it is upon the causes of these reckless actions.

The destruction of a portion of the forest that we mentioned is in fact the direct result of a dangerous campaign of incitement against order. The organizers of this campaign are a few individuals in the village, headed by the very (in)decent Protestant pastor Laszlo Korda and the former president of the CAP [Agricultural Production Cooperative], Mihai Suiok. They, together with the village schoolteacher, incited people to storm one of the best vineyards in the county, which cost the state 200,000 lei per hectare to establish. Instead of tending to his religious functions, the elated pastor of Sintimbreu incites his flock to sin, to defiance of the laws of the land and the government organs. The church altar is not enough for the "immaculate one," so that after regaling himself on Bacchus' nectar and strong drink he completes his practice in frequent and suspect civic assemblies organized under the auspices of some leaders. The name of Mr. Geza Horvath, vice president of the county UDMR [Democratic Association of Hungarians in Romania] organization, is the one most often mentioned by the villagers, who now regret their acts of devastation. We do not know whether the president of the UDMR in Sacuieni also acted at his instigation when he encouraged people to devastate another acacia forest, the one at Olosig.

Now that the attack on the forest is over, the competent organs have started to evaluate the losses and to track down the real culprits. It is clear from the findings on the site and from people's statements that the "notable persons" who instigated the devastation of the forest did so not only for love of certain electoral credits, but especially for their advantage and profit. The pastor cut not only timber that belonged, it was said, to the parish, but also that of a citizen who had left the locality. When he had surplus booty, the pastor went into business. He distributed it right and left, and now that he finds himself hard pressed he is threatening to rally the Budapest newspapers and TV to his defense. But we do not know how the former president of the CAP, Mihai Suiok, will be defended, or his fellow grafter, one Fabrik, a former brigade leader on the CAP who collected so much timber that he could pay off in kind all those who did the work on his private estate.

If we correlate the actions that took place at Sintimbreu with those at Olosig and Valea lui Mihai, in which

personages of Mr. Tokes' Protestant faith are involved, then indeed the bishop of Oradea's sermon should not be likened to any cry in the wilderness. There is something dangerous at these places that has been stagnating for some time. But Mr. Tokes is making a serious mistake when he thinks that there are so many of these sinners that they can destroy what was built here over a history that is measured in millennia.

Army Participation in Gulf War Criticized

91BA0723B Bucharest LIBERTATEA in Romanian
13 May 91 pp 1-2

[Interview with Deputy Ioan Cindea Niculita, civilian surgeon, by Razvan Mitroi; place and date not given: "Romanian Army in the Gulf"]

[Text] The Romanian Army's mission in the allies' operations in the Gulf aroused so many discussions and unfavorable reactions that it became a veritable "epic." Many publications that took up the subject for a "sensational" page revealed well-nigh incredible actions that took place at the Romanian military hospital transferred to the Gulf, such as abusively reduced pay in currency, a rape followed by death of the victim, theft and consumption of alcohol, and "acquisition" of Toyotas with money from the sale of weapons and the troop's rations. It is also said that there were hairdressers among the combatants and workers at the State Mint selected according to dubious criteria. To clarify these enigmas, we appealed to two participants in this mission who can reply objectively to these charges, namely Deputy Ioan Cindea Niculita, a civilian surgeon and volunteer in the Gulf, and Col. Dumitru Barboi, head surgeon and commander of the hospital. For the first part of the proposed material, we gave the floor to the deputy.

[Niculita] Unfortunately, there is a grain of truth in what was written in the press. But its exaggeration led to an unfair misrepresentation of the achievements of our mission in the Gulf.

[Mitroi] For the time being, Mr. Niculita, let us return to the "bad" features. What was wrong with the money?

[Niculita] First a rumor arose to the effect that the Romanian volunteers' pay would be comparable with that of the British ones, that is \$5,000 to \$6,000 a month. Accordingly, many soldiers (even of high rank) and civilians volunteered, making the number of applicants five times greater than the requirement. When the official version came out (up to \$2,000 for physicians), the high "ranks" reneged and many civilians remained, the action being organized by the MAPN [Ministry of National Defense] and the Ministry of Health. Finally, on 11 February those who received their confirmations from the level of the County Health Directorates reported to the SMC [Central Military Hospital]. I do not know what the local criteria for selection were, as I submitted my request as a volunteer directly to Minister Bogdan Marinescu. Parenthetically, let it be said that Parliament had nothing to do with my departure for the

Gulf. Accordingly, we did nothing at the SMC for two days but discuss money. Contracts were desired between the MAPN and the combatants, stipulating the payment terms, rights of a survivor, etc. Some wanted to consult lawyers (the name of Paula Iacob was also heard), but Gen. Buliga finally put a stop to it. He came with a Larousse, read out the definitions of "mercenary" and "volunteer," and said clearly that the military regulations included all those terms and therefore they also applied to the civilians, who were now under the system for called-up reservists. It was clear that there was no negotiating! The following sums were announced accordingly: \$400 a month for sergeants (for both nurses and drivers), \$800 for noncoms (plus female assistants and laboratory assistants), and \$1,200 to \$1,800 for officers (physicians). The discussions started from this point. Many of them said they were not going to die for \$400, and a harmful attitude was created. A great many reneged, so that fewer applicants remained than the positions available.

[Mitroi] Even under those circumstances, were the final agreements observed?

[Niculita] Yes. The money was calculated exactly, and it was received for the three weeks of the mission.

[Mitroi] What about the sale of weapons?

[Niculita] That is just a legend. Every one of us received weapons and signed for them, and we returned all of them. Romania's laws on control of weapons are very strict, and I doubt that anyone would undertake to sell them.

[Mitroi] But were attempts made?

[Niculita] No. I did not hear of any such thing.

[Mitroi] Are the rape and death of that nurse legendary too?...

[Niculita] Something should also be said here about the quality of the human factor of the unit. Since a great many reneged, no selection at all was made. It is a problem that escapes me, although I know volunteer physicians of 32 to 36 years of age, strong young men who could not go, while physicians of over 62 years turned up there. In a word, however, the troubles were caused by the many drivers, nurses, etc., generally civilians, numbering about 250 out of the total 400. There were even people in dubious circumstances. Some of them found a can of technical isopropyl alcohol (for cleaning weapons) in an abandoned British storehouse. They mixed it with Pepsi or juice and organized a spree. They also enticed the unfortunate victim, made her drunk, and persuaded her to have sexual relations with them. Later, the woman remembered the first four men, after whom she lost consciousness. In the evening of the second day British Maj. Fleming, who was responsible for us, told us with great concern of the death of a Filipino from alcohol poisoning. He requested a local

investigation because the Saudi authorities could intervene, since alcohol is prohibited there. All those who had done the drinking (about 16 to 18) were panic-stricken and reported to the infirmary voluntarily. The first disturbances began to appear. They were all perfused and Commander Barboi himself stayed with them all night. On the second day the allies and the Saudi judicial police arrived. They announced that the Filipino, who had also drunk the Romanian "cocktail," had been poisoned by industrial alcohol, so that we had the luck, if it can be called that, not to come into conflict with the laws of the land because it was a matter of a technical product and not of alcoholic beverages. Unfortunately our patients' condition deteriorated and six of them were carried to a hospital belonging to the allies. But the woman could no longer be saved. In general, the chances of survival are minimal.

[Mitroi] But how about the Toyotas?

[Niculita] The legend arose from the fact that the English officers who were responsible for us traveled in Toyota touring cars. That fact, corroborated by the idea of some to procure their cars from Saudi Arabia, started that commotion. There is no truth in it, especially since you could not even think about obtaining something of that kind with the money received in advance. Sergeants got \$100 at the airport (which they spent on drinks, creating a Bacchic atmosphere on the plane), while officers got \$400. Anyway, I understood that it was a control committee who clarified the matter.

[Mitroi] Were there good things too?

[Niculita] The purpose of the hospital was to take part in a humanitarian action. What happened on the national scale was reflected on the microlevel in the Gulf unit. There was no discipline. As an officer I had no audience at all among the noncoms, not even professionally. There were no methods of compulsion, and they had to be found in the picture of the flag. Yet diplomatic relations were established with Kuwait, creating a valued image. Let us say the English visited us out of politeness, but the others, the Canadians and Norwegians? They all congratulated us on the organization of our hospital.

[Mitroi] But you didn't have even one wounded, did you?

[Niculita] There was an American hospital near us with 500 beds and only 44 patients. They had no work to do but to give it to us! It was not known in advance that there would be no victims. But we were stationed in a danger zone, ready at any time to leave for the front line, since we were the only mobile hospital.

[Mitroi] As far as we know you have had nothing to say in Parliament in your capacity as deputy since you returned from the Gulf.

[Niculita] I have asked the Executive Bureau of the Assembly of Deputies to set a date for me to give an account of our mission in the Gulf. I have not yet received a reply. The same is true of my request of 17 December 1990 to withdraw from the FSN [National Salvation Front]. But that is another story.

Laws in Preparation for Slovene Independence

91BA0670A Ljubljana DELO in Slovene 9 May 91 p 3

[Article by B.S.: "First Phase of Slovene Independence Completed"—first paragraph is DELO introduction]

[Text] The integral project consists of 13 subprojects; the second phase should be completed by 31 May, and the third by 26 June; numerous laws

Ljubljana, 8 May—The Slovene government has prepared an announcement on the end of the first phase of the integral project entitled "Slovene Independence." That project consists of 13 subprojects, with a 14th being intended for unforeseen activities. The first phase was completed on 30 April, the second should be done by 31 May at the latest, and the third should be completed by 26 June.

The first project—disassociation—dealt with the preparation of theses on settling mutual rights and obligations from our former common existence in the SFRY, with the preparation of starting points for delimiting the rights and obligations of individual republics, and with the federation.

Principles were prepared for settling mutual relations among the sovereign republics that are becoming independent as autonomous and independent states, for delimiting financial obligations and claims, and for delimiting other SFRY property and settling other relations.

The foundations for the delimitation of rights and obligations are: foreign exchange reserves, the balance of claims against other states where transactions were concluded at the Yugoslav level, identification of facilities controlled by the federation or federal authorities and their value, the internal and external debt, the basis for an agreement with the federal authorities on turning over all documentation on existing agreements with foreign countries that were concluded by Yugoslavia, evaluation of the funds that Slovenia has paid in the form of a mandatory loan to the federal fund or in the form of joint investments by enterprises from Slovenia in the less developed areas.

An expert basis for an agreement on legal succession to the SFRY should be prepared, in accordance with a decision by the SFRY Presidency, by the ZIS [Federal Executive Council], which has not yet done so. In accordance with the resolution on the proposal for disassociation by agreement, a proposal, i.e., an appropriate letter, from the Slovene government to the ZIS has already been prepared.

The purpose of the second project—the economic system—was to gradually establish our own economic system and take over economic policy in areas and in ways that would prevent interference in Slovene institutions by the federation. So far, a considerable number of tasks have been performed in the area of the fiscal system (our own system of direct taxation, the retention

of revenues and direct taxes, the introduction of a system for payments to the federal budget, a budget for the independent Slovene state), foreign economic relations (for example, the introduction of republic export subsidies, and the introduction of a quasi-foreign exchange market), and the financial system (drafts laws on the NBS [National Bank of Slovenia], banks, and savings banks, financial rehabilitation of the banking system, the introduction of a parallel accounting unit, the printing of a temporary medium of payment, agreements on printing money, and agreements with the central banks of neighboring states).

The next project—foreign economic relations—dealt with the preparation of new laws on foreign economic relations (foreign exchange transactions, credit relations with foreign countries, and the customs service), and with the preparation of a review of the most important multilateral economic agreements. Individual groups studied the possibility of joining GATT and the most important international financial organizations. The Ljubljana Customs Office has already prepared a data base for keeping basic customs records, the documents for the payment of customs duties are ready, and a system has been set up for monitoring commodity trade.

The fourth project is called "Financial Ties with Foreign Countries." It includes informing international financial institutions of Slovenia's willingness to assume a share of Yugoslavia's obligations, and seeking ties with financial institutions for cooperation after independence. They are thinking about how to attract foreign capital to Slovenia.

Foreign affairs are the subject of the fourth project. A law on foreign affairs has been prepared, along with a plan on the advantages of establishing representations and a working draft of a declaration intended for third countries. Subgroups have been formed for a program of international activities immediately after independence, for nominating and appointing emissaries, for preparing and appointing negotiating missions, and for determining a system of mutual relations with the Federal Secretariat for Foreign Affairs [ZSZZ] and the SFRY's diplomatic and consular representations. Also ready is a type of authorization for the ZSZZ to conduct certain diplomatic and consular business for Slovenia. A separate subgroup is also dealing with travel documents, visas, and consular affairs for protecting the interests of foreign citizens here and our citizens abroad.

Within the framework of the sixth project—cooperation with the republics—a draft agreement has been prepared on cooperation between the Republic of Slovenia and individual republics; agreements with individual republics are being prepared; and a proposal for negotiating groups for individual republics has been prepared. The central topics in these negotiations will be strategic developmental issues, strengthening markets on a new

basis, forming joint consortiums, technical, technological, and other cooperation, and financing export programs. A working draft has been prepared for a convention on social security and payments for health care, and a basis has also been prepared for taking over the tasks that are now under the jurisdiction of the Federal Secretariat for Labor, Health Care, Veterans' Affairs, and Social Policy, the Federal Employment Office, and the federal communities for pension and disability insurance.

The seventh project—supply—dealt primarily with the issue of how to ensure stable operation of the market, uninterrupted production, and the supply of individual energy sources. A draft law was prepared on prices, a plan for our own policy on prices of petroleum derivatives is ready, and a commission on supply has been established. The supply situation was determined by individual supply groups, specifically for foods, fodder, medicines and medical supplies, petroleum derivatives, products for everyday use, artificial fertilizers, pesticides and seeds, prices, and inspection and other similar services. Producers and suppliers are maintaining normal commercial inventories. It has been agreed that they will increase them within the limits of financial possibilities before 20 June. Material balances have been drawn up, and the state of commodity reserves has also been determined. In connection with this, a general assessment has been prepared of the dinar and foreign exchange funds needed for additional goods. Petroleum derivatives, medicines, fodder, and certain foods constitute the main financial burden. An agreement has also been reached on preparing guidelines for increasing the efficiency of supply.

The eighth project deals with the infrastructure. In this regard, preparations are being made to take over the tasks of federal authorities in traffic and transportation, and to conclude international agreements; the treaty obligations with international financial institutions that have to do with traffic and transportation are being studied. Negotiations are being conducted with Bosnia-Herzegovina on the Ugljevik I and II thermoelectric power plants and on Tuzla V. Negotiations are being conducted with the republics on ensuring the unhindered functioning of traffic and transportation, but at the same time, possible problems, complications, and blockades that could occur upon a possible failure of the negotiations with other republics are being simulated.

The ninth project deals with industry. Economic ties with the other republics are being analyzed at 163 enterprises. They are also analyzing the advantages and shortcomings of Slovene independence for large commercial systems. A survey has been done at 85 enterprises concerning strategies for adjustment and preparation for development. The emphasis has been on possibilities for preserving market shares in foreign markets, and plans for export strategies, proposals for state support in realizing these strategies, possibilities

and proposals for entering into strategic alliances, and organizing and supporting the transfer of modern technologies.

The tenth project has to do with the borders. Laws have been prepared on citizenship, foreigners, travel documents, crossing the state border and protecting the state border, and security in road transportation. Preparations are also being made for establishing a refugee center.

The eleventh project deals with defense and security. In this area, the following has been done to date: A law on defense and protection has been passed, a republic law on military service has been passed, a moratorium on sending recruits to the JLA [Yugoslav People's Army] has been instituted, a decree has been adopted on establishing TO [Territorial Defense] headquarters and institutions and on measures for specifying the permanent staff at TO headquarters, and a decision on cancelling the application of several federal executive regulations is being prepared, along with a resolution on designating enterprises of republic importance. Readiness measures are also being prepared. The Federal Executive Council has been sent a request for the early discharge of Slovene soldiers, and the elements for an agreement on the gradual removal of the JLA from Slovenia by 31 December 1993. Trial training of military recruits by TO will begin on 15 May.

Within the framework of the twelfth project—legislation—federal laws have been divided into those that can be taken over and used as republic laws, and those that will no longer be valid after Slovenia becomes independent.

A review has also been prepared of the most necessary new laws that are of key importance after Slovenia becomes independent. So far, the Assembly has been sent laws on the National Bank of Slovenia, the Agency of the Republic of Slovenia for Insuring Deposits in Banks and Savings Banks, banks and savings banks, foreign exchange transactions, foreign credit relations, prices, the customs service, and the laws that were already dealt with under the border project.

It is not possible to prepare plans for a new republic legal system until a proposal for a new constitution is presented, at least in a working draft. The government is also preparing for new legal regulations in the area of social services. A law on pension and disability insurance, and three laws on health care, are now being developed.

The final project, the thirteenth, deals with the media. In this regard, efforts are being made to ensure two-way communication between the government and the Slovene public, to establish a Slovene Press Agency [TIS], and to present our decisions to the foreign public—now, upon the proclamation of a sovereign Slovenia, and also after that event. This project also has to do with organizing events that would mark Slovenia's

becoming independent with additional ceremony, and would help to form a positive image abroad of the young Slovene state.

The integral project for Slovene independence is already in its second phase.

Possibility of Islamic Bosnia Creation Examined

91BA0781B Belgrade BORBA in Serbo-Croatian
27 May 91 p 8

[Unattributed article: "Can Bosnia Be an Islamic State, Asks the Sarajevo Weekly EKSPRES 071: New Story on Old Dilemma"—first paragraph is BORBA introduction]

[Text] Radovan Karadzic: It is clear from the book by Mr. Alija Izetbegovic that there is a desire to create an Islamic state. Naim Kadic: Perhaps religious people would be happier in an Islamic state, but that is a matter of their feelings. Dzemailudin Latic: Ridiculous accusations.

In the political setting of Bosnia-Herzegovina, as well as Yugoslavia, the controversial theory about the Islamization of that republic, which is neither new nor all that old, is a fact of life. The dilemma—whether it is possible for Bosnia-Herzegovina to become an Islamic state, regardless of how much its actual or out-and-out function is—cannot be rejected a priori. It has become a political fact, a counterpart to the ideas of a Greater Serbia and Greater Croatia, and of these three state models hanging over Bosnia, the most intriguing one is clearly the theory of transforming Bosnia-Herzegovina into an Islamic state. Among the public, some people think that this is possible, and that the process of Islamizing Bosnia-Herzegovina is even being gradually implemented, although generally no support is offered for this view, while others explicitly contend that such a thing is impossible and that this is useless speculation. Precisely because of the misuse of this destructive dilemma, it is necessary to discuss it competently, because there is no doubt that it is not without repercussions for interethnic relations as well.

This is why the public will be interested in the move by the Sarajevo weekly EKSPRES 071, which has in fact published a special volume entitled, "Can Bosnia Be an Islamic Republic?" in which a hundred pages of respectable material is presented for the first time in one place. An assortment of various views and positions is offered: Who has talked and when about an Islamic Bosnia-Herzegovina, studies, relevant analyses, documents, and more than 20 politicians, writers, scientific and public workers have indicated their views specially for this edition.

Serbian Accusation

Starting with those who are increasingly warning that ideas about creating an Islamic Bosnia-Herzegovina are

not innocuous, the comments by SDS [Serbian Democratic Party] leader Radovan Karadzic are of note. His statements are cited in this edition of the newspaper—"It is clear from the book by Mr. Alija Izetbegovic, who has not disavowed the idea, that there is a desire to create an Islamic state. This is borne out by the conduct of certain 'Bosnian rogues' in individual publications. It is obvious that they have been briefed in the centers of political power..." It is obvious that these accusations strike a responsive chord among the membership of the SDS. In a recent announcement, the opstina committee of the Banja Luka SDS emphasized, among other things, that "Alija is in favor of an independent state, an Islamic Bosnia-Herzegovina, which he wants to promote through a 'Declaration,' while towards the Serbian nation he is challenging the current-day regionalization, which will contribute to the good of the Serbian, Croatian, and Muslim nations..."

The SDS publication JAVNOST has written about this subject on many occasions. One article states that "according to his recipe, a peaceful Bosnia is only the first step in the long-term strategy for implementing the ideas from the Declaration on the creation of a federation of Islamic states. Izetbegovic, the believer, normally wants to realize this, but as a politician he is unwilling, for now, to say this publicly. Nevertheless, what he says and does provides an utterly clear indication of his plans, to which the Serbian nation will never agree..."

Of interest in this mosaic of accusations from the Serbian side are the thoughts of Momcilo Krajisnik, the president of the Bosnia-Herzegovinan Assembly, to the effect that Serbian fears about the possibility of the Islamization of Bosnia-Herzegovina are justified, but that this theory, like the one about a Greater Serbia, is completely unjustified.

Not an Islamic, but Rather a Civil Bosnia

Also provided in the volume is an assortment of assessments by prominent figures in the SDA [Party of Democratic Action]. A statement by Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina and chairman of the SDA, is quoted: "Our goal is neither a socialist republic nor an Islamic republic, but rather a civil republic of Bosnia-Herzegovina. Nothing else is possible in this region, nor do we want anything else..."

Omer Behmen, a member of the SDA Executive Committee, who is believed to be the leader of the party's right wing, as noted by the authors in an editorial, simply accused them of not having good intentions and of being involved in a conspiracy. In his statement, Behmen says, among other things, "This subject is a simple provocation, surreptitiously introduced in order to get the public involved, and in order that Chetniks be inspired to do whatever they want throughout Bosnia-Herzegovina. If the subject were the survival of Bosnia, coexistence, I would have taken part. In my opinion, everyone who took part in this is superficial..."

Refutation of Man and God

Finally, the authors of the volume offer the views of prominent intellectuals, among whom opinions are divided, and it is noted that Muslim intellectuals think that the majority of Muslims would not accept the creation of Bosnia-Herzegovina as an Islamic state. An assortment of quotes from this volume follows. Dzermaludin Latic: "As soon as the Serbian nation turns to the human potential of Orthodoxy and accepts Muslims as their neighbors, life will be secure, but the accusations are ridiculous..."

Dzermal Sokolovic: "A theocratic state, with Allah or Christ as the supreme code of law, as the constitution, with all the amendments provided by people, would be a dual refutation—of both man and of God..." Fikret Karacic: "Despite the fact that Muslims in the Yugoslav lands in the post-Ottoman era have accepted all legal state authorities established in this territory, this has in no sense prevented the advocates of ongoing crusades—wielding either the pen or the sword—from continually denouncing them as a potential 'fifth column,' as participants in or the executors of pan-Islamic and fundamentalist conspiracies, as the creators of an imaginary 'Islamistan' or of a federation 'from the Atlantic to the Philippines and from the Balkans to Central Africa.'"

Analyzing Alija Izetbegovic's "Islamic Declaration," key parts of which are published in this volume, author Vladimir Srebrn says, "Izetbegovic forgets, either consciously or unconsciously, that on 9 March 1991 on Belgrade's Terazije, the middle, younger, and youngest generations of Serbia's intellectuals, with their blood, symbolically burned the pages of a program similar to the 'Islamic Declaration,' the pages of the 'SANU [expansion not given] Memorandum' on the racial superiority of the Serbian nation over other Balkan nations..."

[Box, p 8]

Way To Preserve Bosnia-Herzegovina

"For this reason, as well, no one should ever consider that there is any other road for us than the road of Islam. It is the way to preserve Bosnia-Herzegovina. Its preservation and its recreation." (Muhammed Cengic)

"Perhaps people who are very religious, although they are not fundamentalists as people say, would be happier in some Islamic republic, but that is simply a matter of their feelings." (Naim Kadric)

Goals of 'White Eagles' Militant Brigades

91BA0802B Belgrade BORBA in Serbo-Croatian
6 Jun 91 p 12

[Article by V.K., M.M., and G.K.: "Does Neofascism Threaten Yugoslavia?"]

[Text] The "White Eagles," the militant youth organization of the SNO [Serbian National Renewal], attracted

attention to themselves once again the other day by seizing the sound system with a "reasonable amount of brute force" from young Protestant Hollanders. In our endeavor to alert our readers in more detail about the role and purpose of this organization's existence, we obtained exclusive information about the St. Vitus' Day growth of what at present is the youth organization of a party into a mystic military movement of nationalistic Serbian youth whose main external features are their uniforms, hierarchy, and discipline. The basic purpose of the revived organization of White Eagles is the revival of the work traditions, war-making traditions, and spiritual traditions of the Serbian people.

We obtained all the information on this "patriotic formation" from Dragoslav Bokan, who together with Mirko Jovic and Dr. Vojislav Seselj, has been working hard to prepare for the promotion and who at the outset will be the executive commander of the movement. Bokan is a 30-year-old graduate of the School of Dramatic Arts (specialty: directing) who is now a graduate student in the School of Philosophy and is permanently employed as an editor in the BIGZ [Belgrade Publishing and Printing Establishment].

The organization is financed by donations (zrtvena), and young Serbs, whose situation at the moment Bokan considers disastrous in every respect, would train in military camps under the guidance of top athletes. There will be three camps established at the beginning. One on Ravna Gora, a second near Belgrade, and a third in Kosovo. According to the conception, an important place would be given to priests, who would propagate Orthodox virtues. At the outset, the army of "White Eagles" would be made up of young people who belong to Serbian National Renewal and the Serbian Chetniks.

The commander of the "Eagles" is at the moment preoccupied with designing uniforms. Some styles have already been ordered in Belgium. For the moment, it is certain that three kinds of uniforms will be used. In field operations, they will use military camouflage uniforms, on ceremonial occasions, they will use white shirts with a large cross (Style 1300 corporal), and a certain number of robes with full sleeves have also been purchased at a price of 5 billion dinars apiece [as published]. Other ranks than the supreme commander have not been envisaged, but particularly successful individuals will be rewarded with the privilege of visiting the heir to the throne or Duke Momcilo Djuric. Armament is a particularly delicate topic. Commander Bokan told us that certain people are ready to turn over weapons for which they have permits to the White Eagles and that in field operations they will use rifles, pistols, knives, and clubs.

In justifying the need for the operation of these Serbian youth units, Bokan says that their objective is "additional" protection of police activists and a punitive policy toward all forms of crime, which have not been thwarted radically enough in our country. For example, rapes and abuse are not possible in the streets of America, Bokan says, because of the existence there of

the Red Berets. As for establishing guilt, the leader of the "Eagles" says that the Serbian people knew who the culprit was even under the Turks, and so they will also know it today.

In answer to the question of whether the leader thinks that the entire organization smacks a bit of a new fascist formation, Bokan readily replied:

"Only people brought up under the dominant influence of Marxism could think that. They are incapable of understanding what a national youth is and what national goals are, and because of their ignorance they are predisposed to pin the most horrible labels on us, such as Nazism and fascism. I refute such assertions solely because of the young men whose thinking might be upset by this. I am ready to speak to them, but only after someone backs them up with arguments. Accordingly, if Milos Obilic is a fascist, then so are we."

Bokan says that no one can stand in their way; that is, they can be thwarted, but at the price of an immense number of casualties. Whoever wants to stop us, let him try, and it is up to us to defend ourselves.

[Box, p 12]

The Taking of Kosovo From Within

About the initiative of setting up large farm camps in Kosovo this month that would number some 10,000 people, Mr. Bokan has this to say: It is very important that there be Serbian nationalists on the territory of Kosovo. The Skipetar nationalists must become accustomed to their presence, and the territory of Kosovo must be taken from within, not just by the police. As for the activities in them, we agree that they be of the mildest kind, even farming activities, but it would be better if all types of activities were organized there so they could become authentic small towns.

[Box, p 12]

The "Eagles" Against the Dutchmen

Bokan had this to say about the incident of the conflict between the "White Eagles" and a group of Dutchmen which recently occurred in the center of the city: A group of young Protestants from Holland, collaborating with several domestic members of that religious faith, set out for the Knez Mihajlo Monument with a sound system over which they asserted that there is neither religion nor God in Serbia, that young people now are wallowing in nationalism, and they want to bring it back to the living Christ.

After they refused all my attempts for us to talk, nor did they want to move to some other place with less traffic, and since Serbian Orthodox priests are not allowed to preach in public, we took away their sound system using a reasonable amount of what I might call brute force. No one was beaten, and no one went to the hospital afterwards. It is a false report that people were threatened by

this. On the contrary, encouraged by the general approval, I made a brief speech about the difficult position of our church.

Reasons for Unkovic's Resignation Discussed

91BA0802A Belgrade BORBA in Serbo-Croatian
6 Jun 91 p 5

[Article by Cvijetin Milivojevic: "The End of the Era of 'Kid Gloves'"]

[Text] When his deputy group, to the no small surprise of the public (Aleksandar Bakocevic was said to be the first "favorite"), nominated him to be the first president of the first multiparty Assembly of the Republic of Serbia, a majority of the opposition deputies considered him a "tool of the party." Five months later, the first reactions from that same parliamentary minority to the withdrawal of Dr. Slobodan Unkovic come down mainly to one sentence: "One of the most liberal people in the top leadership of the SPS [Socialist Party of Serbia] is departing."

What has this man, born in Trebinje, who went to school in Dubrovnik, and attended the university in Belgrade, done in the meantime? What transformed him overnight from an unpopular party official to a departing hero? Perhaps the answer should be sought precisely in the reasons he gave in his resignation, which at the same time says nothing and says much: He wants to devote himself to his professorial work (!?).

As rector of Belgrade University under the previous and now the present government, he was exceedingly suitable at a time when, thanks to his prestige among the students, he and his students conducted rallies which promoted that government under the slogan of defending Serbs and Yugoslavia. His words are still remembered when recently the students in Student City were calling for Milosevic, and Unkovic calmed them down with the words "Comrade Sloba loves you all." The fact is also remembered that the rector arrived everywhere (and always on time) wherever his young academics were, quite often placing himself at the head of their column. That was a time when it was considered "politically opportune" for a rector to operate that way.

When he was elected to the post of head of the parliament, Professor Unkovic, however, did not change his style. He remained above all a man from the university (he was even receiving his salary there), and only thereafter a politician, and therefore he was still too tolerant toward the minority in the Assembly. It began on 9 March, when Unkovic, at that time a rector, was the only man at the top level of government who went (although seriously ill) to Student City. During the Extraordinary Assembly vigil, he no longer concealed that he was with the students....

Two distinguished Vojvodina "cadres" (one is the new chief of the SPS deputy group) were so irritated during those crucial nights in March that they even loudly

"complained" about this "role" played by Unkovic. At the same time, the gentlemanly attitude toward the colleagues in the opposition, along with the constant public (and specific!) appreciation for the opinions of Micunovic, Varadi, or Rakitic—also angered the SPS "hard-noses."

There were many more of his "sins" for which a sizable portion of the deputies were always relieved when they heard the president was ill, or "ill" when the helm of the parliament would be taken over by the "firm" Borivoje Petrovic. The last "walking violation" occurred when he allowed Dragoljub Micunovic (although he need not have under the operating procedure) to speak last Thursday after the president of the republic, which for Serbia and forever cast into the past that era when the president had the "last word." "Well-informed" sources say that the break came in a meeting the day before yesterday, among other things because of the disagreement over the plan for conducting the Assembly session. Another report from the same sources particularly emphasizes the fact that 9 March is approaching, and Slobodan Unkovic has never taken party discipline into account "during crucial situations."

Thus, a man has departed who was the only one of the Serbian politicians to mention Yugoslavia more frequently than Serbia. Without answering the many questions which he personally put ("Who ate up the money in the pension funds?" for example) and with the unusual fact that he was even nominated for the SFRY Presidency—but by the opposition!

Party of Democratic Renewal Head Interviewed

91BA0601A Ljubljana DELO in Slovene
22 Apr 91 pp 6-7

[Interview with Dr. Ciril Ribicic, president of the Party of Democratic Renewal, by Jak Koprivc; place and date not given: "The Loss of the Yugoslav Area Would Be Catastrophic for Slovenia"]

[Text] [Koprivc] How would you justify the fact that you have not acted like a classic opposition during the past year?

[Ribicic] In part, by parliamentary customs. We respected the 100-day "truce" period which is usually offered a new government so that it can consolidate itself and prepare to implement its programs. At the same time, however, it should be stated that the public has not always been quite well informed about our role. Here is a specific example again: When the tax legislation was being passed, our speeches were not only sharp, but also well-reasoned; nevertheless, the discussions by our deputies did not become public until it had been demonstrated that the decisions that had been made were wrong. In short, in view of the fact that our proposals were not given appropriate attention, substantively and procedurally, and that there were many attempts at an unprincipled undermining of our initiatives, especially through criticisms of the past 45 years—which were

supposed to be responsible for the present difficulties—we should have abandoned our position as a constructive opposition considerably earlier.

[Koprivc] Recently it has been said that you are going back again to some obsolete "Yugoslav option," and even a federal one.

[Ribicic] That is nonsense, of course, for which there is no real basis in the activity and positions of the SDP [Party of Democratic Renewal] organs. We committed ourselves to the federal option very clearly, and very early. If we are mentioning an asymmetrical Yugoslav community today, it is because we are thinking that Slovenia will ensure that it has a confederal position within it, but some other federal members could also have a different status, and could unite among themselves if they wanted to. Before the plebiscite, we signed the agreement among all the Slovene parties, and in the Assembly letter of intent we managed to have things written in the way that seemed correct to us. We achieved a gradual process of gaining independence, and we ensured broad voting rights for non-Slovenes as well, but above all our achievement was having every Assembly document include Slovenia's willingness to separate by agreement, with the possibility and obligation of trying to establish ties with the other states that are in the SFRY today. All those who would now like to explain the plebiscitary decision as a basis for unilateral secession, or as a victory for those forces which are opposed to confederal ties in Yugoslavia, are certainly mistaken, and are misinterpreting the unanimously adopted Assembly decisions and the majority support in the plebiscite for independence. Of course, we are not just interested in independence; it is also an integral part of that plebiscitary decision that a new Slovene constitution has to be passed in half a year, i.e., by 26 June 1991. We are demanding that, and we are not concealing it.

We likewise think that we should not use independence-related activities, the constant repetition of major declarations, and repetitions of the historic secession resolutions to conceal the bad economic and social situation, etc., from those who are influencing the development of democracy in Slovenia.

We are not only in favor of an autonomous, sovereign, and independent Slovenia, but also an economically successful, socially just, and internally democratic state. We think that these other aspects of building Slovenia's internal order should not be underestimated in favor of the independence activities. We are against planning the kind of state in which a rich minority will rule and exploit a majority of politically and economically powerless people.

[Koprivc] The impression has been created this whole time, with your assistance as well, that people in Slovenia are not completely familiar with what is entailed by one, a second, or a third variant of life after independence.

[Ribicic] That impression is wrong. One of the characteristics of our approach is also that it is necessary to show very clearly, in black and white and without any concealment, what the consequences of independence will be in individual areas. We have demanded this so many times that we are being accused of constantly demanding some sort of analyses just in order to postpone Slovenia's independence. The fact is, however, that so far the government has not been able to offer us such a review, just as it is also true that the government was unsuccessful in the Yugoslav talks, primarily because it did not undertake this seriously—in contrast to President Kucan. It is good that a few days ago Prime Minister Peterle invited Serbian Prime Minister Zelenovic to talk, and it is good that Peterle met with Kadijevic. Such meetings, however, should have been held several months ago, and not only now. In international overtures and activities for the independence of Slovenia, the government has generally been unsuccessful, even though this was its special task. If we look at all the trips by government representatives around the world, and we compare this with the positions adopted in Europe against Slovene independence, then we can see that those efforts were very unsuccessful.

[Koprivc] What is the essential difference between those of you who are insisting on abiding by the projected deadline for independence, and those who want to accelerate it? Does this mean that you are also taking into account another possibility, the establishment of conditions for a new Yugoslav community, so that a declaration of independence would also be, at the same time, a declaration of a new state alliance from the position of an independent and sovereign Slovenia?

[Ribicic] One of the differences may also lie in this. We are advocating the position that it would be very sensible if Slovenia were to become independent at a moment when it would also be clear whether mutual ties among the new states appearing in the Yugoslav area would be possible, and what those ties would be like, because we are afraid of one-sided ties to the north, to Austria or Germany, since Italy is behind us, not to mention Hungary or Croatia. The most negative possible option, which I am afraid is a real one, is the loss of the Yugoslav economic area, which could be catastrophic for us just by itself in view of the economic situation, and would be even worse if at the same time we did not have the possibility of joining the European economic area.

[Koprivc] Why is that possibility a real one?

[Ribicic] Because of the very negative positions of the European states and international forums regarding Slovenia's independence. In short, we are advocating the kind of independence that will be a peaceful act, which will offer a hand to the states that are now emerging in Yugoslavia, and to all our other neighbors, and will prevent the international isolation and economic blockade of Slovenia. One of the conditions for this is separation by agreement. The opposite of this is a

unilateral secession, regardless of what others in Yugoslavia and other states think.

[Koprivc] Where do you see the causes of this impatience? Isn't Yugoslavia's constantly falling out of one crisis into another one also somewhat responsible?

[Ribicic] It is very obvious that part of Slovene politics has adopted a very radical commitment to independence, and furthermore does not see anything else but that goal. In their one-sidedness, they immediately cite every negative event, every exacerbation in Yugoslavia, as a reason for immediate secession from Yugoslavia. On the other hand, however, that part of Slovene politics downplays or conceals every positive event in Yugoslavia, and hurries to make it clear that we are becoming independent for completely different reasons, and not because of the current tensions in Yugoslavia. Such people simply do not care about anything but secession. They want quick decisions because they are afraid that the possibility of an agreement will emerge in Yugoslavia through democratization, and they do not conceal the fact that they are against any attempts whatsoever to revive Yugoslav ties in a third Yugoslavia. Certainly there are many negative instances in Yugoslavia, but it is also necessary to see the positive developments, which indicate that it is possible to arrive at an enduring concept for some new confederal alliance of states that have their own autonomy and independence. Those who are afraid of this, of course, are advocating the concept of secession at any cost, regardless of all the consequences, but that is far from what the Assembly decided on as a policy of independence.

[Koprivc] When should new elections be held?

[Ribicic] It seems to me that it would be realistic to have elections after one year, i.e., two years earlier than the usual period, and later, as the SDP deputies demanded, namely three months after the adoption of the new Slovene constitution.

[Box, p 7]

Implementing the Assembly's Resolutions

We played a significant and positive role in the constitutional amendments and the preparations for the plebiscite. We tried to change Demos's and Pucnik's concept of Slovenia's unilateral secession into a peaceful action of the gradual independence of Slovenia, which would not end with Slovenia's isolation and strained relations with all of our Eastern and Western neighbors. We thought that it had to contribute to even better ties on all sides. We succeeded in many respects. Thus, from this standpoint Pucnik's view that Milan Kucan is implementing Demos's concept of independence is not correct. The fact is that he is implementing what was adopted by the Assembly of the Republic of Slovenia, and that is something that we fundamentally influenced, together with the Liberal Democratic Party. It has been different with matters in which an ordinary majority is sufficient, where our influence has been very small. We

spent too much time acting in a constructive and conciliatory manner with our proposals, even though no one took our efforts into account. Now in the Assembly discussions we are speaking out about the harmfulness and wrongness of the government's policy. We have firmly decided that before the elections we will prepare a comprehensive developmental and social program which will be fundamentally different from the decisions already adopted in the Republic Assembly.

Speculation on Who Was Behind Maribor Actions

91BA0781A Belgrade *POLITIKA* in Serbo-Croatian
29 May 91 p 8

[Article by M. Lazanski: "'Soft-Line' and 'Hard-Line'"]

[Text] Official institutions and the press in Slovenia are alleging "that the spiritual father of the JNA [Yugoslav People's Army] intervention against the Territorial Defense Center near Maribor was in fact the chief of the General Staff, Gen. Col. Blagoje Adzic, and that the command of the Fifth Army District did not know about this operation."

It is quite clear to anyone familiar with the elementary principles of military organization that the commander of the 31st Corps, Gen. Maj. Mica Delic, did not need any special orders for the action, because previous communications from the SSNO [Federal Secretariat for National Defense] repeatedly stated "that any attack on members of the JNA, military facilities, and Army institutions will be responded to in kind." For anyone who knows what subordination in the armed forces is, the dilemma concerning the action under the command of Gen. Delic is no dilemma whatsoever. In fact, the general had orders to undertake that type of action.

Thus, the assertions contained in the announcement by the coordinating group, in which Ministers Janez Jansa and Igor Bavcar allege "that all of this was carried out under orders from Gen. Adzic," can signify only one more attempt to represent the top military leadership to the public as divided into "soft-line" and "hard-line" generals. Moreover, Slovenia and Croatia have long been working on shaping the image of the Fifth Army District Command as an explicitly "soft-line" and "democratic" component.

During the time that the federal secretary for national defense, Army Gen. Veljko Kadijevic, was under medical treatment, this speculation was particularly acute, although even a poorly informed journalist concerned with military issues must know that the chief of the General Staff of the armed forces did not undertake anything important without the knowledge of the federal secretary himself, even when the latter was hospitalized.

But since this is apparently a time when everyone is allowed to make arbitrary assertions about the JNA, and around military air bases people are already counting the squadrons "that did not coincidentally flee to Serbia,"

people are also counting these transports of heavy military equipment moving from republic to republic, "because, my God, why do those where everything is falling apart have tanks, while we have only guns." The JNA is accused of "only causing greater mischief wherever it intervenes," while no one bothers to ask what the mothers of the policemen whose lives were saved by members of the JNA in Borovo Selo think about this. National Guard troop reviews are being organized at stadiums something like at Nuremberg, federal laws on compulsory military service are being unilaterally suspended...

Amidst all this, the JNA is being honored by descriptive words such as "occupying, Chetnik, Bolshevik, foreign..." Its members are strangled and fired at, but at the same time they are called on to be tolerant, democratic, and free of all ideology. Precisely because of this, the JNA has probably earned the right to have a monument for patience erected even today.

Alleged New Concept of Bosnian Defense

91BA0810C Sarajevo *OSLOBODJENJE* (Sunday supplement) in Serbo-Croatian 9 Jun 91 p 3

[Article by Djuro Kozar: "The Dream About Opstina Armies"]

[Text] The idea of creating republic armies, which earlier was only suggested, has now taken on specific form in Croatia and Slovenia. Some "new boys" are parading there! The same is being planned in some other republics. What is the situation in Bosnia-Herzegovina in that respect? There are no constitutional possibilities for establishing a Bosnia-Herzegovina army, nor are there any very vocal advocates of that option: The territorial defense of Bosnia-Herzegovina has not (yet) been officially taken over nor separated from the armed forces of Yugoslavia. The new government in the republic is showing understanding for defense preparations, but that could take a different turn even tomorrow.

A Gun Put on Safety

In the Bosnia-Herzegovina territorial defense staff, they are working on a "peace-time footing," according to their plan, and they say that discontinuity in defense affairs would be terribly dangerous in this region. Those with whom we talked—Lieutenant Colonel General Milos Bajcetic, commander of Bosnia-Herzegovina territorial defense, and his deputy, Major General Muharem Fetahagic, say that it is not up to them to create a new defense concept, but to carry out what the higher command of the armed forces requires of them. Nevertheless, we did hear from them what kind of problems they are facing, whether there has been unauthorized interference with the territorial defense, how the parties in power are behaving toward opstina defense staffs, and ultimately what could happen if one territorial defense structure were to be used against another one.

"The situation is not like it was before. We are adapting to the new conditions, but only to the extent that this is directed against the defense system," Gen. Bajcetic says. "Unity in this area cannot be destroyed, but there have been attempts to impose certain partial solutions."

The generals from the Bosnia-Herzegovina territorial defense say that in some parts of Bosnia-Herzegovina there has been oversensitivity to military units, and there are now dilemmas about where a territorial defense unit can be mobilized. In that connection, Gen. Bajcetic said: "As soon as they see a group of uniformed people, citizens ask 100 questions under the influence of certain political parties. Absolutely everyone has to be informed and know who is being mobilized, why, and what the movements of the units are. And we present the program of training and exercises for territorial defense to a meeting of the Presidency of the Socialist Republic of Bosnia-Herzegovina, it adopts it and that constitutes exact public knowledge of what, when, and how things are done. In preparations for defense, you cannot assume that a particular area is suitable for organizing exercises and some other is not."

In Bosnia-Herzegovina, most of the weapons have been transferred from territorial defense to the arsenals of the YPA [Yugoslav People's Army], which in the light of the general political situation and for better storage of the rifles, has proven to be a good thing. But people are constantly asking in certain opstinas and enterprises: "What about our weapons, when are they going to be given back to us?" Gen. Fetahagic says that it is very indicative that people are requesting rifles and asking: "Who does this serve, and why? Against whom would those territorial defense weapons be used?" He added that those weapons have now been put on safety, that the owner has not changed, and that members of territorial defense will take them over when they need them, when the decision is made by the republic staff, not by some powerful man in the opstina or enterprise.

Dangerous Games

It seems that certain new presidents of opstina assemblies in Bosnia-Herzegovina have had the idea that when they took up that position they could also command territorial defense units. How otherwise is one to explain cases where they interfere in what ought to be the job of the opstina territorial defense staff and its commander? During mobilization or training, there have been cases when the leaders from the opstina deliver speeches and politicize and dramatize certain matters unnecessarily and slander the YPA to members of the territorial defense.

Is this not a sign that some people would first like to have opstina armies before creating those at the republic level? One gets the impression that the first wish would be to exert some influence. Since the new government was set up, more than 50 percent of the territorial defense commanders in opstinas have been replaced,

and requests to do this elsewhere are coming in constantly. There have also been attempts to replace the entire territorial defense staffs in certain communes and set up new ones "to suit the top man in the city." Gen. Bajcetic says that in the republic territorial defense staff they are not against having people of a particular nationality or party put in command posts so long as they see that territorial defense in the opstina is commanded by an officer with experience and a certain level of professional competence. That recommendation is not being honored everywhere, and there are cases when instead of a captain first class, who is a member of the staff, it is insisted that a second lieutenant be the commander, because he is the one more suitable to the party.

Gen. Fetahagic warns that there are leaders in the opstinas who do not know the purpose of territorial defense. They are given the explanation that territorial defense is defined above all to defend against possible aggression from outside, not for any internal conflicts. He says that there are quite a few officials in Bosnia-Herzegovina who think that we are not threatened by any danger from anyone and that "aggression in our country is impossible." Such people are very mistaken, because the armies of neighbors and other foreign armies and their staffs are carefully following the situation in Yugoslavia, which for them is a crisis region.

And what about the processes of regionalization in Bosnia-Herzegovina? The Bosanska Krajina community of opstinas envisaged in Article 9 of its agreement that it also have territorial defense. Gen. Bajcetic has this to say about that: "Any destruction of the unity of the armed forces is dangerous. In these divisions of ours, especially in extreme cases, it is not impossible that one territorial defense unit be turned against another one. We have taken steps to prevent that, but it is not impossible that paramilitary formations could be formed in some places and referred to as territorial defense."

We wanted to know how those with whom we spoke would behave if a Bosnia-Herzegovina Army were formed? Their answer was identical and brief: "We would not be here."

Gens. Bajcetic and Fetahagic know nothing about the Bosnia-Herzegovina Ministry of National Defense designing a new concept of defense, which supposedly includes a republic army. There have been suggestions of that, but work on this is still not officially acknowledged, but neither is it denied. There are indications that this concept is being written up for the case when Bosnia-Herzegovina is an independent state within a Yugoslav confederation, because in that case formation of our own army would be natural. Still, everything depends on what will happen to Bosnia-Herzegovina in some new option.

Fifth Air Corps Exercises Discussed

91BA0803A Belgrade BORBA in Serbo-Croatian
5 Jun 91 p 13

[Article by Milan Lovric, employee of the Information Service of the Fifth Army District: "Effectively, and at Higher Altitudes"]

[Text] The exercise, which was spoken about a great deal last week and was said by the republic leaderships to have been yet another in the demonstrations of military force, ended within the limits of the time that had been planned, although, to tell the truth, it actually was not even felt on the ground. All available YPA [Yugoslav People's Army] forces of the Fifth Air Corps were involved in the exercise and took as their responsibility the coverage of parts of Bosnia-Herzegovina, Croatia, and Slovenia.

Civilians Did Not Take Part

This exercise, authoritative sources in the Fifth Air Corps command in Zagreb said, was planned back in December as a part of regular activity, and it basically represented the final stage of a training period and a test of the state of combat readiness of air force and air defense units in this region of our country. That was the purpose for which the exercise was organized, the responsible officers in command of the Fifth Air Corps said, adding that no other intentions whatsoever were involved either in preparing the exercise or during it.

These assertions are backed up by the very fact that in this exercise combat planes flew at altitudes between 1,000 and 2,000 meters, which, say the fighter-bomber pilots from Cerklje, considerably reduced the actual impression of the use of combat planes, which, they say, fly at altitudes of about 500 meters when they are attacking.

In addition to YPA forces, the exercise of air force and air defense forces of the Fifth Air Corps also included in its preparation civilian observers, reporting personnel, and alerting services personnel, which, in accordance with the scheme in effect up to now for organizing this branch and the service of the Armed Forces, came under a unified command. Although representatives of the civilian sector responded and attended preparation for the exercise, and at that time, it is said in the Fifth Air Corps command, they were familiarized with the manner, forces, and area of the exercise, they did not respond to the signal that the exercise was beginning. Thus, the exercise for observation, reporting, and alerting structures and for the entire system of air protection was reduced solely to the activity of YPA members of the Fifth Air Corps.

Interruption Because of Croatia Statehood Day

Although the exercise took place in a area of responsibility covering parts of three western republics, the command of the Fifth Air Corps, respecting Statehood

Day of the Republic of Croatia, which was a holiday for all members of the YPA on the territory of that republic, interrupted conduct of the exercise. It was resumed and completed on the two days that followed.

At the end of the exercise, General Major Marjan Rozic, commanding officer of the Fifth Air Corps, evaluated the operations of the exercise as a whole by saying that the main objective was entirely achieved, and in addition the high level of air force and air defense personnel, crews, and units as a whole was confirmed. During the exercise, particular attention was paid to checking the precision of pilots and crews in carrying out missions, Gen. Rozic said.

In addition to the general very good success in combat training of air force and air defense personnel of the Fifth Air Corps achieved in the exercise, during the several days which this activity lasted, not a single accident was recorded, which, the leaders of the exercise say, is another important piece of evidence to support the authentic fact of the high combat competence of flight crews and other structures of the Fifth Air Corps.

YPA for United Country Despite Provocations

91BA0810B Belgrade NARODNA ARMIJA
in Serbo-Croatian 6 Jun 91 p 5

[Article by Br. Miletic: "A Time of Decisive Decisions"]

[Text] Many people think—and those who have appropriated the right to public speech (that is, politicians and journalists) write it and speak it—that in entering the first month of summer we have actually entered upon the time of great, perhaps even decisive, decisions. That is because some people have proclaimed the month of June to be Yugoslavia's "to be or not to be."

Those "some people" have also fixed the dates, have named a D-Day, and are hastily preparing big celebrations. The euphoria is felt, the hysteria is bubbling. The deafening roar of the resurgent past reaches us from certain soccer stadiums in the country. The parade beat of the untrained military step of the splendidly uniformed guards drums in the ears, threatening to overcome the applause which Yugoslavia gets in certain other (and why not say—more important) soccer stadiums in Europe.

And that segment of the people that has been driven fairly insane, naively believing that Danko in the fairy tale, back from the dead, is lighting the way for them with his heart plucked from his chest, often quite calmly follow such leaders, never suspecting that the end result might be bloodshed. What is more, fratricidal.

That other segment of the people, considerably more numerous by all appearances, that is, people free of political prejudices and ethnic bigotry, are stopping to ask the most logical question—What is this that is happening to us? On the threshold of the third millennium, when the entire world is preoccupied by concerns

about economic development and prosperity, we are clutching each other by the throat and sinking deeper and deeper into material and spiritual poverty, serving the "rest of the world" as an example of discord and poverty. Finally, is this the way it has to be? Will we allow the hellish notion of breaking up Yugoslavia to be achieved?

We assert the right to answer in the name of a majority of Yugoslavs—NO!

Yugoslavia should live.

Not because that was said last Thursday by two worried men named Jacques, esteemed guests from the European Community, Messrs. Santer and Delor. Nor because of those similar, though not always sincere, and often arrogant statements by officials of the great powers, who would tailor the destiny of humanity to their own measure. They say now one thing, now another, whatever suits them. It is left to us to believe them or not to believe them, however.

Yugoslavia should and must live, because it is the vital need of its peoples, of all those "ordinary" people who are free and do not seek any comforts to be satisfied, who know quite well what the foreign boot is, because they have felt on their own backs its "tender" concern for their destiny. A foreign hand is molesting even when it is caressing.

Because of the people and in the name of that people. Of those broadest, most consternated, and worried masses who have been brought to the limits of their patience. It is because of them that the Yugoslav People's Army [YPA] is performing its tasks envisaged by the Constitution, heedless of the uproar being raised against it from certain quarters. Relying on support of patriotic citizens committed to Yugoslavia (we responsibly assert that this is a majority of the people from Maribor to Djevdjelija and from Horgos to Dragas), the Army will uncompromisingly oppose the arrogance, mindlessness, and challenges of civil war and chaos.

The Army favors the preservation of Yugoslavia as a unified state.

And it does not conceal that. And the question of whether that future community will be more or less federal, with greater or lesser commitments of its national states, will (again) be decided in agreement by the peoples who inhabit these regions. The Army will not impose decisions, nor will it interfere in decisions, not only because it itself is a part of that people (and those peoples), but also because it is convinced that a new Yugoslavia can be a law-governed, democratic, and reformed state with a modern government system, a community to the measure of and able to suit the needs of civilized peoples.

Noninterference in political agreements, however, does not mean that the Army will allow violation of the SFRY

Constitution so long as it exists and until it has been changed in a peaceable and democratic way.

The same thing goes for the borders of Yugoslavia, external and internal. Every external military step, even though it be described as "pacification" of quarreling Yugoslavs, will be considered aggression, and any redrawing of internal borders will be considered a destruction of Yugoslavia.

Yugoslavia will survive.

We believe that this is known even by those who are after its head. The persistence with which they are promoting their own armies, putting up signs to stake out "their own" republics and passing laws in their assemblies which do away with the Yugoslav Constitution, serves them, we assume, only to achieve the best possible position in the talks about the country's future. In June, even the strongest jokers are shaken out of the sleeves, because even they themselves are demanding that all the cards be put on the table. After that we will see whether their commanders will be satisfied with them.

It is clear that with its commitments to Yugoslavia the Army is bothersome precisely to those forces which would form their own national states and their own national armies as soon as possible. Which accounts for the numerous and equally dangerous imputations directed against the Army—from that "professional" assessment that it would fall apart in carrying out its first mission of any seriousness, to the assertion that the command of the Fifth Military District was bypassed in the Maribor case, although the public is witness that during the entire time of the unfortunate events in Slovenia, that command, as they say, had the "situation in hand," in keeping, of course, with the principle of subordination, and that it is only thanks to the maturity, good sense, and patience of the Army that the feeling of its pulse did not grow into events with much more tragic consequences. Yet it could have.

The Army was not provoked either by the seizure of its combat armored personnel carriers from TAM (four combat armored personnel carriers) which not only had been contracted for, but they had been entirely paid for, nor by the refusal to allow officers to enter the factory. Arrogance was answered with patience, provocation with decency, and threats with waiting for those who are interrupting the process of military production to explain to the public the damage which is being suffered already by tens of thousands of persons employed in the "special-purpose" industry and those mouths which that industry feeds, and in this case those are the families of working people employed by about 600 subcontractors all over Yugoslavia.

Here again, just as in all the "cases," the immense patience which the Army displays has its limits beneath which it cannot and dares not go.

Increased Police Staff, Arms in Croatia Deplored

91BA0810A Belgrade NIN in Serbo-Croatian
7 Jun 91 p 35

[Article by Slobodan Milosevic: "The Croatian Army: The Laundering of Weapons"]

[Text] The foundation of the Croatian Army is made up of 3,500 young men and women assigned to commando, anticommando, and paratroop detachments, the naval brigade, and, allegedly, unarmed volunteer People's Protection detachment in more than 100 Croatian opstinas. There is, of course, no need to emphasize that these are all ethnically pure units. And the parade in the "Zagreb" soccer stadium was actually only the finale of the hasty preparations which lasted almost a year.

All of this is in fact confirmed by a report of a commission of the federal secretary for internal affairs which was formed on the basis of a resolution of the Federal Executive Council on 30 January 1991.

The commission of the SSUP [Federal Secretariat for Internal Affairs] performed its task by visiting Croatia from 6 to 16 February and reported on this to the FEC on some 30 pages of text. It is evident that the Croatian MUP [Ministry of Internal Affairs] and supreme command of that republic have been saying one thing and doing another.

In mid-1990, the Croatian MUP officially "stated" that it has 9,140 active policemen, although the actual numerical strength was 6,795. After an examination of the documentation and records of the Croatian MUP and police departments of that ministry in Osijek, Karlovac, Zadar, Bjelovar, Gospić, Sibenik, Vinkovci, and Split, as well as the stations of those departments, and from conversations with responsible leaders, it was learned that the Government of the Republic of Croatia on 17 September 1990 authorized its Ministry for Internal Affairs to increase the active strength to 25,000 members!!!

In just a few months—the FEC [Federal Executive Council] report observes—the number of active policemen increased, first to 14,322, and then on 10 January 1991, when enrollment was between 400 and 500 people a day, that number was increased to 18,500. This February the task was completed, and there were 25,000 members of the regular police corps.

The commission of the SSUP then ascertained that on 31 May 1990 there were 10,589 people on record in that republic as reserves. Between mid-October of that year and 10 January of this year, the number of reservists increased to 22,865. And in just 11 days (between 10 and 21 January) it increased by another 9,327 members. By the end of January, the order of the Government of the

Republic of Croatia to increase the police reserves by 120 percent had been completely carried out, and there were 45,000 names on lists of reservists.

Two facts are particularly important:

First: The police reserves were increased by 24,411 at precisely the period which the SFRY Presidency designated as the period to disarm paramilitary units armed with weapons imported illegally from Hungary. Instead of confiscating the weapons from members of the HDZ [Croatian Democratic Community], in certain opstinas, for example, in Vinkovci and Zupanja, the reserves were increased daily by 500 police reservists, respectively!!!

Second, and this also indicated unambiguously the disrespect for federal laws on the military obligation and nationwide defense: On 6 September 1990 the Croatian Republic Ministry of National Defense informed its opstina services that what was then the Secretariat for Internal Affairs would be furnished an increase in reserves of 120 percent from military groups of persons subject to military service!!!

The number of reserve policemen, however, does not end with the figure of 45,000. According to a statement by an inspector of the SSUP, the increase in reserves continued even after 21 January, subject to mandatory signing of the "loyalty oath" at the time of assignment or activation, which actually guaranteed the formation of ethnically pure (Croat) units whose numerical strength at one point even reached 100,000.

The SSUP commission, the report states, was unable to examine all the relevant facts and pin down the final figures, because in many police departments and stations of the Croatian MUP there are no records.

Evidence that everything was actually meant to prepare a republic army can be found in the fact that in January 1991 the Croatian MUP adopted an act on general organization of police reserves along military lines, but with a considerably different strength in the units. That is, personnel were put in squads of between 10 and 15 policemen (soldiers), platoons numbering between 60 and 100, companies between 300 and 500, battalions of 1,500 men or more, and independent companies, independent battalions, and accompanying units were formed, affording the possibility of making up combined units under a single command! The SSUP commission observed that there are no precise figures on the purchase, receipt, and distribution of the weapons. The Croatian MUP has been inaccurately reporting on the armament of the police reserves and on the quantities returned to the arsenals of police departments and stations. Specifically, a report of the MUP states that the Vinkovci police department possesses only 416 long-barrel weapons; however, inspectors of the SSUP stated

that the arsenal of that department contained 1,880 long-barrel weapons along with 1,444 guns of the Kalashnikov type which are not mentioned in the MUP report at all.

The stubborn insistence of the SSUP commission to obtain documentation on imports of weapons has been without results. The reason given: the weapons were purchased on the basis of a decision of the Government of the Republic of Croatia, which alone possesses the paperwork and it opposes allowing anyone to examine them.

Armament from black markets is continuing, as indicated—as the papers have reported—by the arrest of Marko Belinic (of whom it is said on the basis of documents found on his person that he is an official of the Croatian MUP), Zeljko Vujic, and Ivan Kapstanovic in the U.S. state of Arizona on warranted suspicion that, “to aid the new Republic of Croatia,” they purchased weapons illegally, among them antitank missiles, mortars, and automatic rifles. According to the ARIZONA REPUBLIC, they brought \$50,000 to Phoenix, capital of Arizona, for the first payment.

END OF

FICHE

DATE FILMED

2 July 1991